What's Ahead For Pulp and Paper Securities (p. 15-28)

# THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

**Be Sure to Read**

More Real Estate News . 9
Pulp & Paper Securities . 25
Turner North End Riches 13

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 27, 1941 | 10c a Copy; $5.00 a Year | No. 39

**The Nation's Business**

## Once Mr. King Chided Strikes in Wartime

Twenty-three years ago, when Canada was at war, an industrial relations student by the name of W. L. Mackenzie King had some things to say about the subject of strikes against the community.

"Strikes and lockouts" he said "do not make the world safe for Democracy."

"The method of the strike and the lockout is not distinguishable from the method of Force . . .", Mr. King wrote in "Industry and Humanity." The war had revealed the hideousness of Force and the anguish its use might bring. Was the lesson to be taken to heart, asked Mr. King, or was the sacrifice of the world's young life to be in vain?

Mr. King's volume was an argument for conciliation as a preventative of labor troubles. Like most theoretical books, it fell short of telling what should be done in those particular cases where the theory failed to work; when the common interests of Capital, Labor and the Community were defied by truculent mischief-makers.

But Mr. King knew about such men, men more interested in personal power than in the nation's good. He described them perfectly:

"Men there are in the ranks of both capital and labor . . . who care for nothing quite so much as their own position and importance . . . They are ever ready to sacrifice principle, and to foster prejudice, in order to gain power . . . Such men, in control, sooner or later bring disaster upon others; and often upon themselves. Men have to be trained in the use of power . . .

"A few men gain the positions of control. They have, for the time being, immediate power over other men . . . They take the decisive action which brings conflict in its wake. The many whose wishes have never been sought, and whose voices have never been heard, find themselves opposed by forces that demand resistance . . ."

What an apt picture of the C.I.O. gangsters who are today struggling for power over labor in Canada and who threaten to bring disaster upon the workers of Canada whose wishes they have not sought.

* * * *

Mr. King approvingly quoted in his book the wartime message of the President of the United States asking that "there shall be no discontinuance of industrial operations which would result in curtailment of the production of war necessities." He was impressed by the fact that in a wartime strike across the border the Secretary of Labor had appealed to the workers:

"Our boys are at the front. They are making the supreme sacrifice for the protection of the lives of our people and the maintenance of our institutions. Surely it is not asking you too much in their name to urge that you return to work, submitting your disputes to the War Labor Board for adjustment."

Today the production of war necessities in Canada is being curtailed by strikes. Step by step the government moves along the line of appeasement of what the Calgary Herald calls "a handful of loud-voiced labor parasites."

* * * *

The respectable labor leaders of Canada do not approve these strikes. Tom Moore, president of the Trades and Labor Congress of Canada, said this week "The strike is no substitute for the ballot even in wartime." Tried labor chieftains like Howard Chase and Humphrey Mitchell have voiced no sympathy with the C.I.O. racketeers who are trying to sabotage our war effort.

But the government headed by the man who wrote the words quoted above is not standing behind the respectable labor leaders. It is appeasing the men whom Mr. King so well described as "men who are ever ready to sacrifice principle, and to foster prejudice, in order to gain power." It is permitting the use of Force, the method of the strike, which Mr. King said could not "make the world safe for democracy."

Part of the answer lies in the incredible weakness of the Minister of Labor. But the responsibility to end the present intolerable danger, to get Canadian factories into full war production against Hitlerism, is upon the Prime Minister. He is our great theoretical authority on labor problems. He is the head of the government. He has not said a word in this war about the mischief of war strikes or rebellious labor tyrants, half as strong as he said in the last war when he had no authority, no responsibility to act.

The situation is unhealthy and tragic. It has not been materially changed by last week's new tool against strikes. Ottawa's trouble is not lack of tools but unwillingness to use them.

* * * *

Up to now it has been legal for workers in a war plant to reject a conciliation board award and go on strike, laying down the tools that were producing the weapons needed to defeat Hitler.

Ottawa has moved a couple of millimetres further along. Henceforth a strike will be illegal unless a majority of workers vote for such a strike in a secret ballot.

The new order is not accompanied by any assurance that the government will be more courageous in taking action against the new potential class of illegal strikers than it was against illegal strikers who now defy authority.

* * *

### ILSLEY SAYS WE CAN BEAT INFLATION

Since he assumed the onerous wartime finance portfolio, the stature of Hon. J. L. Ilsley has steadily increased. To his heavy treasury burdens he has now added responsibility for reporting to cabinet on the enlarged Wartime Prices and Trade Control Board.

It was in this capacity that Mr. Ilsley did some very plain speaking in an address last week. He posed the issue as to whether or not we were going to fight this war by "an effectively planned and operated set of controls which will be deliberately designed to restrict consumption and prevent inflation" or whether we were going to allow a substantial inflationary rise in prices.

His own preference was clearly stated. It was to fight inflation. He deplored the current "defeatist attitude toward rising prices." He said:

"I can assure you that we are determined to check the upward movement in prices that has been taking place . . . .

"I can assure you that things will not be allowed to drift . . . .

"Inflation is not inevitable. It can and will be prevented."

An Ottawa dispatch in this issue shows that Mr. Ilsley's emphatic declaration of policy is shortly to be put to the test.

The test is simply this: is the government prepared to back the views and convictions of its finance minister and permit a more far-reaching attempt at price control?

* * *

Already one cabinet minister has been counselling Canadian farmers to expect higher prices for their products. Yet it is rising foodstuff costs which are responsible (according to Mr. Ilsley) for 53% of the cost of the increase in the price of living.

Similarly with wages. The government has introduced a wartime wages policy which has far-reaching potentialities to curb the rising wage spiral. Yet the policy has not been extended in satisfactory degree to non-war industry.

Canada has—not unwisely—turned down the idea of an economic ministry to plan and co-ordinate policy. It has created instead, machinery to deal with prices and put that machinery in the hands of a minister who has charted a good course.

The next few weeks will demonstrate the degree to which the Prime Minister and his other colleagues are prepared to face the coming battle of inflation; whether they stand behind the Finance Minister in his effort to avoid some of the tragedies of the last war or whether they are more concerned with pandering to class and sectional interests.

**One Month's Production of a Canadian Aircraft Factory**

Here are Canadian-made Bolingbroke medium bombers which are being produced by Fairchild Aircraft Limited. In June, the target rate of 15 monthly was reached. The craft has a range of 1,900 miles and carries a 1,000 pound bomb load. In an attractive booklet Fairchild Aircraft gives its employees and the public a comprehensive picture of its part in the Canadian war effort. Plant area has been increased four times since before the war, and working force from 200 to well over 3,000. One of these bombers has 3,000 specifications, 14,000 blueprints, 600,000 rivets, 80,000 detail parts and 40,000 man hours of work.

## New War Savings Programme

### Plan Better Organization, More Advance Work

In fifteen months Canada has channelled only $83.3 millions of her rapidly rising national income into War Savings.

On Oct. 1, in the larger cities of the coast, and at later intervals across Canada, War Savings Committees will go to work to raise the Dominion's annual total to $150 millions, about double the recent monthly rate.

To do it, they will have the advantage of a solidly established base of steady war savers in payroll plans and bank pledges. They will have the benefit of revamped organizations, changed methods, the experience of a February programme that succeeded in many respects but fell short of total objectives.

Since the February drive, the objective of 2 million savers, buying $5 monthly of certificates apiece has only been reached once in point of dollars, never got much more than half way in the number of subscribers.

**Early Drive Stalled**

Part of the failure of the early campaign is blamed on weather conditions. It was not possible to reach outlying areas when winter blocked the roads. And many of the committees were hastily organized, understaffed, the workers were new at the job. Publicity was late off the mark and the net result was a canvass that allegedly missed something like half the desired number of savers. The failure of the campaign to reach its objective was obscured by the number of large individual subscribers whose applications reached an average of $21.40 apiece in February, have since fallen off to an average of $6.83, while their number has dropped from 375,359 in March to 185,534 in July.

**New Set-Up**

The new programme will straighten out a number of these difficulties. Provincial committees have been strengthened by the addition of full-time paid executives, not many in number, but sufficient to ensure that local committee heads will be able to rely on assistance where needed.

Time for the canvass has been increased 50% to six weeks. Publicity will be ready well in advance of requirements, and in October very few Canadian roads will be blocked with snow. Improved methods are not expected to increase the cost of money raised, now only 38 cents for each $100 borrowed.

Typical of the new set-up is the work done in Ontario under Chairman Duncan Robertson. Ontario provided 52% of the national total

(Continued on page 2, col. 5)

## Churchill and Roosevelt Get Post Special Issue

"Democracy on the March," The Financial Post's 124-page review last week of mobilization for war by Canada and the democracies, has been placed in the hands of the free world's leaders.

Among those to whom copies were sent were His Majesty, the King, Prime Minister Winston Churchill and President Roosevelt.

Almost double the usual number of Financial Posts were printed to meet increased demand and to give widest circulation possible to the heartening information therein presented.

Special copies were sent to British ambassadors, Canadian ministers and other government representatives abroad, and the heads of Canada's overseas military services. Parliamentarians and the press in Great Britain were included in the special mailing.

Special copies reached the most influential circles in the United States. Besides the Secretary of State and the Secretaries of War and the Navy, other cabinet ministers, senators and congressmen received copies. The issue went also to leading newspapers throughout the United States, editors and military editors, and to thousands of key men in industry and finance.

At the request of a great number of Post subscribers, individual copies of the issue were mailed to friends in all parts of the world that can still be reached by the Canadian mails.

Key men in industry and in government have been writing and telephoning their congratulations throughout the week.

Basic purposes of the issue were to outline Canada's own war effort in perspective; to indicate how the other overseas nations of the Commonwealth had rallied behind Britain's magnificent stand; to reveal the extent of American resources thrown into the common cause. Taking as its basic theme Churchill's phrase "Together the Job is Done," the issue summarized the great resources of the free world that are available to hold that pivot of democratic security, Britain.

## Moore Corp. Net to Hold 1940 Level

Judging from results obtained in the first nine months of 1941, Moore Corporation will do reasonably well this year if it is able to maintain profits at last year's level, The Financial Post is told.

There has been a very substantial increase in the physical volume of business but this has not meant a corresponding gain in earnings. Such matters as taxes and higher costs enter very decidedly into the picture here.

Throughout 1941 it has not been a question of selling the company's products, but rather one of finding sufficient capacity in its factories, to turn them out.

The company does about 90% of its business in the United States and past records indicate that its business volume goes up and down pretty directly with that of general industry. Judged from this basis, it is easy to see how the company would show considerable gains in volume this year, a period when industrial activity in the United States has shown tremendous gains.

**Substitutes Necessary**

No serious difficulties have as yet been met in finding adequate supplies of the materials the company needs. In a number of cases substitutes have had to be worked out, but its engineering department has so far been able to meet the requirements. One important product where some difficulty is a possibility is in carbon paper, which the company makes in its own plants. The wax used in this manufacture is becoming exceedingly scarce.

No important additions to plants have been carried out this year as the company placed its properties in good shape prior to the war. A minor change is being made in its

(Continued on page 2, col. 4)

## Major Test Nearing Of Anti-inflationary Policies in Canada

### Cabinet Faced With Putting Ceiling on all Commodity Prices in Canada — Ilsley Raps "Can't Stop It" Attitude

By STAFF WRITER

OTTAWA.—The first real test of Canada's new anti-inflationary control policy will come within a few days.

The test will come when the cabinet is asked to approve sweeping new price control powers which will move not only across the major fields of clothing, dairy products, bread and flour, meat and packing house products, but may extend into a general ceiling on all commodity prices in Canada.

Since the Wartime Prices and Trade Board was given greatly enlarged powers and supreme authority in the matter of price control, a careful and painstaking analysis of the whole price structure in Canada has been in progress. Although half a dozen areas have called for immediate action, the board has refrained from acting until it could encompass the whole problem.

For example, drastic control of lard and shortening would probably have been undertaken before now had it not been felt that it was wiser to appoint an administrator over the whole packing products industry rather than attempt to tackle the matter piecemeal. Individual administrators are also contemplated for the entire clothing field, for dairy products, for bread and flour and for installment selling.

**Personnel Difficult**

One very real difficulty has been to obtain suitable personnel for such work.

The board's policy is to seek administrators outside the field to be controlled. Alongside each administrator it places a technical adviser—someone competent and informed in that particular industry or trade—to counsel the administrator. It has proved extremely difficult to obtain suitable persons for these jobs.

Another major difficulty has been to reach a decision as to whether the price spiral at the present time justifies a recommendation for a general ceiling on all prices.

There are powerful arguments in favor of such action. If it were taken, the board would then merely sit as an appeal board to hear special arguments for revisions and changes. On the other hand such a step is not only full of dangerous pitfalls, but it involves highest considerations of governmental policy.

**First Real Test**

It is here that the first real test of the new control machinery will shortly be made.

Is the government, or rather the cabinet, prepared to go "whole hog" and face the implications of a sweeping price control—especially control over farm and food prices?

In the view of persons who have probed deeply into this problem as far as Canada is concerned, control of prices to be really effective must be accompanied with control of costs—that is wages and farm prices.

Is the government prepared to face the implications of further far-reaching control of labor's wages and the farmer's price level?

**Promises to Farmers**

Already some promises have been made to western farmers that they may look for higher prices for their products. If these promises are to be implemented, what will happen to the cost-of-living and the upsurging wage-price spiral? Conversely if there is not greater control over basic wages both in war industry

(Continued on page 2, col. 3)

## Reciprocal Tax Deal Talks Scheduled

By STAFF WRITER

OTTAWA. — Probability is seen that Canadian and United States tax authorities will start negotiations within the next week or two with the object of working out some kind of reciprocal arrangements over the withholding tax. When the new U. S. tax law was signed recently it contained specific provisions regarding the withholding tax whereby the way was left wide open for reciprocal arrangements between the United States and any other country in the western hemisphere.

Last spring Finance Minister Ilsley's budget abrogated the Reciprocal Tax Convention of 1936 whereby dividend and interest income transmitted across the border of one country to residents of the other were to be taxed at 5% in place of the 10% which prevailed on all other income sent out of the U. S.

Canada applied a 15% rate on interest or dividends going to the U. S., with certain exceptions such as government bond interest. At once the U. S. rate went to 16½%.

When the U. S. prepared its 1941 tax measure it incorporated a clause which makes a 27½% rate applicable to dividends and interest sent to non-residents, at the same time incorporating the provision permitting reciprocal arrangements.

**Wholly Owned Subsidiaries**

How far the negotiations about to get under way will go cannot be foretold. One section, however, likely to get attention is the problem of wholly owned subsidiaries of Canadian companies operating in the U. S. and of U. S. companies operating in Canada.

Canada's tax law exempts these wholly owned subsidiaries of U. S. companies from the withholding tax but the U. S. law contains no such provision. This means that General Motors in Canada can send all of its earnings to the parent company in the U. S. without having to pay a withholding tax on the dividends. But the wholly owned subsidiaries of Hiram Walker, Distillers Corp.-Seagrams, Moore Corp. or International Metal Industries, to mention only a few, have to pay 27½% tax on all dividends sent home to the parent companies in Canada. This is an apparently unfair working of the tax laws which is certain to get attention.

## Demand Special Bonus For Wheat Farmers

From Our Own Correspondent

WINNIPEG.—In lieu of a cost-of-living bonus and to offset the decrease in real purchasing power of the western farmer this year due to the drop in wheat production, agitation is developing for additional Dominion government assistance.

This week the Northwest Line Elevators Association requested the Dominion Minister of Agriculture to consider a special grant based on wheat acreage.

A few days previously Searle Grain Co. urged a growers bonus of 10 cents a bushel on all wheat marketed.

The United Grain Growers has asked the government either to adopt a cost-of-living bonus to make up the deficiency in western farm income or grant a special payment of $3 per acre on the basic wheat acreage.

**No Interference**

In explaining this suggestion R. S. Law of the U. G. G. said:

"It would be unnecessary for the Dominion government to reverse decisions it has already made. It would be in conformity with the acreage payments already provided for in connection with the wheat acreage reduction plan and the assumption in that plan of government responsibility for supplementing farmers' limited income from wheat. It would not interfere with feeding of wheat to livestock. It corresponds in principle to the cost-of-living bonus given to wage earners. Its benefits are equitably distributed with no discrimination against the farmer whose yields this year were low. It would not require to be applied immediately to be effective, but necessary time could be taken by the government of Canada to study the problem, and possibly to bring the plan before Parliament."

**Livestock No Help**

The wire from the Elevator Association to Ottawa pointed out that much land on the prairie is suitable only for the growing of wheat and farmers on this land are unable to receive any benefit from government policies in encouragement of production of livestock and coarse grains.

"In the opinion of our association, raising of the price to be paid by the Wheat Board alone would not meet the situation. There are thousands of farm families who would not benefit under such a plan as they will have little or no wheat to market."

## The War And Business . . A Weekly Round-up

***U. S. to Declare War?***

A formal declaration of war by the United States against Germany is not unexpected, especially if the Russian situation continues grave, intimates Whaley-Eaton Service of Washington. Such a move would be designed mainly to forestall any German-Russian peace and to offset further Hitler victories this winter. Hitler is said to be known to be planning formidable winter campaigns in Russia with no let-up in his pressure on any front.

A formal declaration of war by the United States, it is believed, would tend to keep Russia fighting under almost any circumstances, would fan active discontent in occupied countries, might bring Turkey into the war on the democratic side, and in any case would encourage that country and others to keep neutral. With the United States actively and formally lined up with Britain and Russia, the eventual outcome of the war could hardly be left in doubt in the minds of the peoples of occupied Europe and even of Germany itself.

* * *

***Canadian Tanks Best***

Canadian designers are convinced that they are turning out the finest army tanks in the world and that even our big industrial neighbor to the south might learn a lesson from us. The all-welded or cast outer skins of the Canadian tanks, it is stated, represent a big improvement over the square cornered rivetted type still apparently favored in the United States.

A rivetted joint offers a flatter and therefore more vulnerable target to shell or bullets than streamlined welding or casting. Moreover, it is claimed an ordinary soft rifle bullet hitting a rivetted joint may be able to spray sufficient lead between the joint into the inside of the tank to blind any occupant, or it might drive the rivet itself through as a missile. This of course, would not be possible where all joints are welded or are eliminated by casting in one piece.

That most of the tanks to date have had this rivetting weakness is indicated by instructions issued in Great Britain to civilians for defense in case of invasion. Home guards were told that in lieu of any other more formidable weapon, simply peppering an invading tank with ordinary .303 rifle might result in stopping it. Presumably the German tanks, too, have some vulnerable points.

* * *

***Million and Quarter New Jobs***

Since the beginning of the war some 800,000 workers have been added to the industrial payrolls of Canada, Labor Minister McLarty stated in a radio address the other day. This he estimated was an increase of 35%. At the same time Army, Navy and Air Forces in Canada have enlisted 470,000 men.

In other words a million and a quarter men who presumably were employed two years ago are now in factories or the armed forces. This, stated Mr. McLarty, was an amazing achievement for a nation of 11 million people and "as yet we have not reached the peak of production." That peak, he said, will not be reached until the early months of 1942 and in the meantime the demand for more labor will steadily increase.

* * *

***Add Nearly 5,000 Houses***

Forty construction projects in 27 cities and towns across Canada are now being administered by Wartime Housing Ltd., it is announced by the Department of Munitions and Supply.

The programme, when completed, will include 4,422 bungalows, 34 staff houses, four commissaries, and certain other construction work, including a Manning Pool for Merchant Seamen on the east coast. Work on all projects is reported proceeding satisfactorily.

In addition to actual construction operations the company has had to undertake in many cases the installation of household services, including water and sewage facilities, electric light and telephone, roads and walks.

***Aluminum Foil Out***

Since December no aluminum has been released in Canada for rolling into foil for packaging cigarettes, chocolate bars and other commercial products according to Metals Controller G. C. Bateman.

Following the government restriction some confusion seems to have existed as to whether or not supplies would continue. The metals controller points out that a small amount of aluminum foil still is being used but this comes entirely from stock on hand at the time of the ban. It was impractical to return it for melting down

The metals controller also explained that a new composition foil consisting of 95% lead and 5% tin is being substituted by the manufacturers. It is difficult for the layman to distinguish between this and the original aluminum foil.

* * *

***Supplies For U. K.***

Lease-Lend produce is arriving in Great Britain at the rate of 850,000 tons weekly according to latest reports and this volume has been maintained for at least the last eleven weeks. To handle the traffic Britain is maintaining at least 2,000 ships constantly at sea with never less than 400 in the danger zones.

A typical cargo from the United States is described as follows:

A dozen or more attack bombers from Santa Monica, Calif.; big sacks of beans from Hansen, Idaho; tubs from Chicago of Wisconsin cheese; piles of brown cartons labelled "seedless raisins" from Fresno, Calif.; citrus fruit from Lake Wales, Fla.; and hams from Chicago; an ambulance, gift from the people of Milford, Conn.; machine tools from Michigan City Ind.; aircraft parts from New Haven, Conn.; fire extinguishers from Brooklyn, and peanuts from Georgia.

* * *

***New Blockade Ship***

To offset possible sea losses from submarines and bombers a new type of cargo ship has been developed in the United States. Known as the "Sea Otter," it is light in weight, simple in construction and relatively cheap. It will carry a net cargo of 1,500 tons, is 270 ft. long and when loaded displaces almost 2,000 tons. Because of its small size and shallow draught it can be built in inland shipyards and taken to the sea by river or canal.

The revolutionary construction development is the driving propellor located not at the stern but sunk into the water mid-ship. Navy engineers believe these ships can be turned out in two months building time when quantity production gets under way. Critics say the boat is too slow and too small.

* * *

***National Income Soars***

At the present rate of production Canada's national income is probably close to the $6 billions a year level and by the end of the year is expected to be well above. In every one of the first seven months reported to date there has been a big lead over the corresponding period a year ago, although the rate then was the highest in the country's history.

* * *

***Milestones***

C. Blake Jackson named Controller of Construction . . . H. C. Jeffries appointed president of the government-owned Fairmont Co. Ltd., sole importer of rubber into Canada and responsible for distribution for war and civilian requirements. . . . M. A. Hoey named deputy steel controller . . . ban on members of the armed forces in uniform crossing the border between Canada and the United States is lifted by mutual agreement . . . War orders awarded by the Department of Munitions and Supply for the week ended Sept. 9 numbered 4,029 and totalled over $27.7 millions, previous week total $6.5 millions.

# Hat News from EATON'S

**Quality...**

**'Lord Biltmore' Fur Felts**

We have just received new stocks of 'Lord Biltmore' hats for Fall and Winter wear! In these hats the quality is outstanding . . . a mixture of rabbit hair and BEAVER FUR . . . designed to wear better and retain its good looks for a longer time! And the workmanship and styling are in keeping with the quality! Shades of grey, green, brown and blue. Sizes 6¾ to 7½.

**7.50** Each

Main Store — Main Floor.

T. EATON Co. LIMITED TORONTO CANADA


# Conscription, Labor Policies Formulated

## Chamber of Commerce Discusses Wartime Problems at Conference—Elect New Members — Increasing Goodwill to C. M. A. is Noted

By STAFF WRITER

SEIGNIORY CLUB, P.Q.—Drafting resolutions of policy—especially policy as to labor and conscription—proved the most provocative and constructive part of the three-day meeting held here last week by the Canadian Chamber of Commerce.

One full day (Sept. 17) was set apart for discussion of rental control, real estate taxation, foreign trade, exchange control, tourist trade, public finance, chemurgy, agriculture, economic co-operation with the U. S., employer-employee relations, war production, mobilization for war effort, postwar reconstruction, the Rowell-Sirois report.

**Promise "Co-operation"**

The conscription issue was finally whittled down to a straight expression of view that:

"When, in the opinion of the government, voluntary efforts fail to meet the need of man power for Canada's war effort, the business interests of Canada as represented in the membership of the Chamber will readily co-operate in a policy of compulsory selective service."

Earlier references to capital now being virtually "conscripted" and the extension of selective service to factory man power were deleted.

The labor resolution was sent back to committee to be redrafted. It proved too vague for the members' liking. A new committee whose membership included P. C. Armstrong, J. S. McLean, Alderman A. J. Cundick, president of the Kitchener Board of Trade and others, was charged with making it more explicit.

**Produce Lengthy Statement**

What they produced and what finally met with general approval was a lengthy statement which said in effect:

1. Industry appreciates loyal co-operation of Canadian workers in the war effort.

2. The chamber endorses P. C. 7440 (not mentioned by name) to the extent that the rising cost of living shall not inflict hardship on workers in lower paid brackets.

3. The Chamber believes all disputes can and should be settled between employers and workers, "or their accredited representatives," with proper guidance from the government as to general principles. The government is urged to use its influence and authority to see that these principles are carried out consistently and firmly.

4. The Chamber congratulates the government on the appointment of the Industrial Disputes Enquiry Commission and the success of this plan.

5. The Chamber warns against increases to worker income which are out of proportion to the supply of goods and the need for protecting farmers against too great a rise in industrial wages.

6. The Chamber took cognizance of rising labor costs on non-war industry and the difficulties of selling goods under war conditions without increased selling prices.

7. The Chamber urged the government to use its powers in preventing interruption of production of war materials and the full and firm enforcement of laws against intimidation and disorder.

**Greater Goodwill**

Two important features of the convention (the Chamber's 14th) not publicized were the increasing goodwill that is growing up between the Chamber and the Canadian Manufacturers' Association. Precedent was broken by having at the meeting Harold Crabtree, president of the C. M. A., and John T. Stirrett, general manager.

Mr. Crabtree led the discussion of employer-employee relations and offered fullest co-operation of the C. M. A. in formulating joint policy. Hugh Macdonnell, industrial relations officials of the C. M. A. also attended.

The Chamber also heard vigorous expression of views similar to those put forward earlier this year at the annual meeting of the C. M. A. regarding the need for greater education and publicity on the part of business to inform and inspire workers regarding the achievements and responsibilities of employers in the war effort.

Alongside Donald McKenzie and Clinton Henderson, as chief executive officers for 1941-42, the Chamber elected Robert Rae, general manager of the Dominion Bank, and Paul McFarlane, vice-president of the Bell Telephone Co. of Canada as vice-chairmen of the executive.

Other officers include:

**Honorary treasurer**, W. FRANK PRENDERGAST, Toronto; **associate honorary treasurer**, T. B. WEATHERBEE, Montreal; **vice-presidents**, C. S. BAND, Toronto; R. B. BRENAN, Saint John, N.B.; H. R. COTTINGHAM, Vancouver; Colonel G. E. FULL, Charlottetown; H. W. MANNING, Winnipeg; A. H. PARADIS, Montreal; F. K. WARREN, Halifax.

**National councillors:** C. E. ANSTIE, Vancouver; F. J. BURNS, Kentville, N.S.; LEROY HOLMAN, Summerside, P.E.I.; H. T. MALCOLMSON, Hamilton; JEROME MORRIS, Moncton, N.B.; G. W. MURPHY, Sherbrooke, Que.; C. E. STOCKDILL, Winnipeg; R. A. WRIGHT, Regina.

**Advisory council:** H. R. MacMILLAN (chairman), SIR EDWARD BEATTY, W. M. BIRKS, S. G. BLAYLOCK, JACKSON DODDS, S. G. DOBSON, W. SANFORD EVANS, C. E. GRAVEL, GEORGE HOGG, R. P. JELLETT, Hon. R. C. MATTHEWS, G. C. McDONALD, J. S. McLEAN, J. Y. MURDOCH, K.C., JOHN W. ROSS.

# High River Patriots Seething

## Patriotic Effort Nets $29 After Freight Paid

By STAFF WRITER

OTTAWA.—Spurred by the ridicule and disgust of communities such as High River, Alberta, negotiations are now under way to raise the price and cut the freight rate on salvage scrap.

What happened in High River is typical of some western communities which were urged to be patriotic and collect scrap iron. Farmers, local businessmen, elevator companies chipped in and sweated to assemble and ship the scrap to Winnipeg. There was a twofold purpose: to collect vital scrap, and to swell the fund in aid of bombed-out families in Britain with the proceeds.

But after High River had assembled and shipped its 31 tons of metal, the local citizenry raised the roof on receiving from the Patriotic Salvage Corps at Winnipeg a receipt for $29.93, "the net proceeds of the carload of scrap metal."

**—With Apologies**

The salvage bureau did apologize for the small amount of the cheque. It pointed out that freight rates from High River to Winnipeg were very high on this kind of freight and that nearly $250 had gone to the railways for hauling the stuff across the prairies. Instructions given the local citizens were to the effect that the metal must be shipped to Winnipeg for disposal.

The High River Times in commenting on the fiasco suggested that had it been put on a truck and hauled into Calgary there would have been possibly an extra $200 available for bombed Britons.

Ottawa has been busy for a week or more trying to straighten out this mess and get things organized so that in future scrap collected from communities which are far removed from the central clearing depot can get their contribution moved cheaply and at a more remunerative price.

The scrap plan has worked splendidly, it is claimed, except in areas where freight rates were prohibitive.

There is no intention of abandoning the idea since every pound of scrap is vitally needed. What will be done, it is hoped, is to find a way to increase scrap prices and lower freight rates on this kind of war effort.

# Moore Corp. Net To Hold

(Continued from page 1)

Los Angeles plant, latest unit to be acquired.

In Canada much the same story is told. Operations have been at or near capacity throughout the year. Some direct war business is being carried out at the company's plants, but this apparently is not a large portion of its activity.

**New Tax Position**

Outlook for shareholders is clouded at the moment by prospects that recent changes in the U. S. tax laws will seriously hit the company's ability to transmit earnings to Canada. In place of a 5% withholding tax, earnings sent out of the United States will now be subject to a 27½% tax.

The whole position with regard to this new withholding tax in the United States is far from clear as yet. The bill has been adopted, but the way is left wide open for some kind of reciprocal arrangement between Canada, or any other country in the western hemisphere, and the United States. Whether or not such an arrangement may be completed between Canada and the United States, such as was in effect before Finance Minister Ilsley ended the Tax Convention of 1936 with his latest budget, is not yet clear but would seem to be more than a possibility.

**Last Year Record**

Last year, Moore Corp., which gets about 90% of its earnings from the U. S., reported record net profits equivalent to $3.72 a share on its common. For 1941, without allowing for the new withholding tax, the company should report approximately the same level of earnings. This leaves a good margin over the $2.22 a share annual dividend being paid on the common at present. The company does not publish sufficient information in its annual reports to permit any estimates as to what the new tax might possibly mean in the way of reducing earnings. It seems reasonable to guess, however, that the present rate will be continued for a period, at least until the whole situation clarifies. The earned surplus of Moore Corp. itself in Canada is thought to be sufficient to maintain dividends for a period even if no earnings were transmitted from the United States.

# War Savings Drive Begins

(Continued from page 1)

of War Savings in the first part of September and has been edging steadily higher in national importance from the roughly 49% average of the earlier part of the year.

Each of Ontario's 550 local committees is now setting its objective with the assistance of the Provincial Committee. Objectives are worked out in terms of dollars on the basis of population, employment, etc., tied in with the current results in the district, weighted for numbers of subscribers and average amounts subscribed.

These dollar objectives are secret. They will never be made known to the subscribers in the particular districts, who will see them only when translated into weapons, ranging from aerial bombs to corvettes. This system gets away from the unfavorable comparisons resulting from publication of dollar objectives. It is the system now followed in Britain.

Local objectives will be publicized in the local press, or by means of posters. These will bear the signature of the local War Savings Committee and present to the community an easily grasped conception of what that district has to do. In a number of other ways, the new programme is designed to make a favorable impression.

For example, Walt Disney will release three of his animated cartoon features in which Snow White's Seven Dwarfs, The Three Little Pigs, etc., will show their patriotism by buying War Savings Certificates.

**Sound Backlog**

While the February campaign fell short of its objectives, it has built a solid foundation that will ease the success of the fall programme. Numbers subscribing increased steadily up to June, were then hit by the rising defense taxes and unemployment insurance deductions. War Savings lost the limelight to the Victory Loan in June and together with other added drains on pay envelopes, helped bring a reduction in subscriptions and an increase in the number of certificates redeemed. From the first offering of War Savings on May 27, 1940, to the end of July, the record of sales has been as follows:

**WAR SAVINGS COMMITTEE**
**Sales Statistics**
**All Classes of Applications**
**May 27, 1940—July 31, 1941**

| Period: | —Applications— Number | Value $ | Average value per applicat'n $ |
|---|---|---|---|
| 1940: | | | |
| May* | 6,966 | 426,352 | 61.20 |
| June | 151,876 | 8,153,812 | 53.69 |
| July | 211,637 | 5,150,632 | 24.34 |
| Aug. | 229,305 | 2,790,640 | 12.17 |
| Sept. | 237,931 | 2,294,624 | 9.64 |
| Oct. | 289,894 | 2,338,228 | 8.06 |
| Nov. | 294,807 | 2,225,912 | 7.55 |
| Dec. | 309,620 | 3,060,908 | 9.89 |
| 1941: | | | |
| Jan. | 388,030 | 3,794,960 | 9.78 |
| Feb. | 612,216 | 9,405,932 | 15.36 |
| March | 928,951 | 10,053,796 | 10.82 |
| April | 947,871 | 7,185,388 | 7.58 |
| May | 1,067,703 | 7,076,100 | 6.63 |
| June | 1,111,727 | 7,028,390 | 6.32 |
| July | 1,026,483 | 6,472,995 | 6.30 |
| Total | 7,815,017 | 77,458,669 | 9.91 |

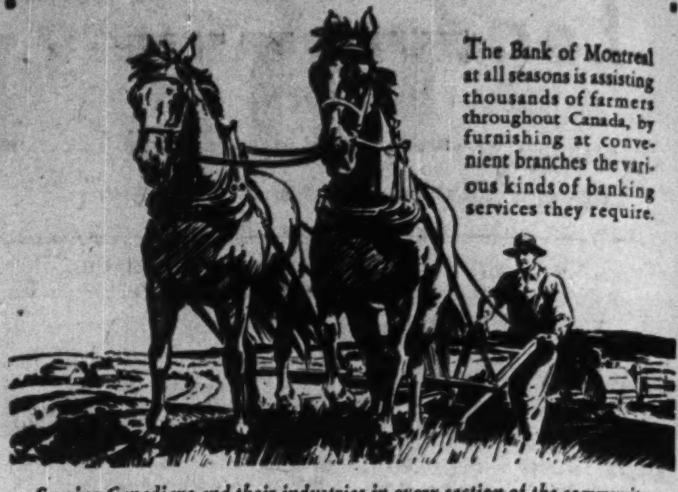
*May 27 to 31.

Against these sales, which showed a further drop to $5,870,000 in August, certificate redemptions have totalled $492,036 up to the end of July, as follows:

**Certificate Redemptions**

| | | | |
|---|---|---|---|
| 1940: Dec. | $25,816 | 1941: Apr. | $48,356 |
| 1941: Jan. | 32,984 | May | 68,940 |
| Feb. | 33,152 | June | 92,008 |
| Mar. | 38,592 | July | 152,188 |

But since March there has been a definite improvement in the type of applications received. In July, 72% of the applications were from the payroll savings plan, against 49.6% in March. Bank pledges, the other important form of regular purchases, accounted for 9.9% of the applications in March, had risen to 10.14% by July. Both of these categories increased in number as well as in percentage to the total, while individual applications fell in both respects, now amount to 18.1% of the total against 40.4% last March.


*Serving Canadians and their industries in every section of the community, we invite you to discuss YOUR banking requirements with us.*

**BANK OF MONTREAL**

"A Bank Where Small Accounts Are Welcome"


# The Labor Round-up

There has been little change in the labor situation this week.

The strike at the **McKinnon Industries Ltd., St. Catharines, Ont.,** was still on as this is written, but hopes were stronger that a settlement would be reached. Conferences between union officials, company executives and an investigator from the Dominion Department of Labor were expected to have beneficial results. Union officials were believed a little more anxious for a settlement. Workers on strike, having lost almost two weeks' wages without gaining any benefit so far, it was believed, might become dissatisfied with their leadership.

• • •

At its annual convention in **Calgary**, the **Trades and Labor Congress of Canada** approved a resolution reaffirming the right of workers to organize, bargain collectively and strike if necessary. It criticized the use of troops in labor disputes as showing partiality toward employers and "by no means" solving the cause of labor unrest. It also criticized the Dominion government "for its apparent indifference to the wishes and desires of the workers and their refusal to take the working people of Canada into their confidence."

A request was made to the Dominion government to restrain the Department of Munitions and Supply from interfering in labor disputes and to abolish immediately the office of Labor Relations Director or at the department.

• • •

The labor situation in **Cape Breton** coal fields shows no major change over the past week, though there are signs of some weakening in the ranks of the outlaw group.

**The United Mine Workers Local** of New Waterford No. 16 Colliery, representing 1,000 miners, voted to terminate their "slowdown" strike and return to full production for a 30-day period. Officials of the Local said the slowdown would be abandoned to allow settlement of the various demands made by the men. They include restoration of lamps to men laid off in the pit by the company recently.

There was no indication from other mines or their U. M. W. Locals on similar moves to resume full output. A convention last week reaffirmed the "slowdown" strike policy which was inaugurated nearly five months ago.

• • •

The three-man commission investigating wages and other labor conditions in certain Quebec shipyards will receive submission of evidence from both employees and employers of **Canadian Vickers Ltd.** at the beginning of next week.

# Investors' Index

**Sept. 27, 1941**


| | | | |
|---|---|---|---|
| Abitibi | 12 | Dom. Textile | 4 |
| Aluminum Co. | 3 | Jam. Pub. Serv. | 5 |
| Bathurst Paper | 11 | Loblaw Groc. | 4 |
| Beauharnois | 3 | Maclaren-Que. | 13 |
| Brading Brewer. | 4 | Massey-Harris | 4, 11 |
| B. C. Power | 3 | Mtl. L. H. & P. | 3 |
| Brown Co. | 5 | Moore Corp. | 2 |
| Calgary Power | 3 | N. S. Light | 3 |
| Can. Industries | 3 | Saguenay Pwr. | 3 |
| Can. For. Inves. | 12 | St. Maurice Pr. | 3, 5 |
| Canada Packers | 11 | Shawinigan | 3 |
| Candn. Vickers | 2 | South. Can. Pwr. | 3 |
| Comm. Alcohol | 4 | Trans-Can. A. | 3, 4 |
| Distil.-Seagrams | 12 | West Koot. Light | 3 |

**MINES AND OILS**

| | | | |
|---|---|---|---|
| Amalg. Kirkland | 13 | Hudson Bay | 12 |
| Cariboo G. Qtz. | 13 | Lakeside Kirk. | 12 |
| Cent. Duparquet | 13 | Lapa Cadillac | 12 |
| Cent. Patricia | 13 | Major Oil | 12, 13 |
| Chromium | 13 | Maple Leaf | 13 |
| Cons. Smelt. | 12, 13 | Pioneer | 13 |
| Darkwater | 13 | Proprietary | 13 |
| Delnite | 13 | Relief Arlington | 13 |
| Gold Eagle | 12 | Robb-Montbray | 13 |
| Gold Frontier | 12 | Royalite | 13 |
| Gunnar | 13 | Seventh Malar. | 12 |
| Home Oil | 13 | Whittier | 13 |
| Howey | 13 | Wingold | 13 |

**REGULAR FEATURES**

| | |
|---|---|
| Banking | 14 |
| Bond Markets | 5 |
| Bond Quotations | 10 |
| Business, Week in | 7 |
| Commodities | 11 |
| Company Reports | 4 |
| Editorial | 6 |
| Foreign Exchange | 4 |
| Insurance: | |
| Fire and Casualty | 8 |
| Life Insurance | 8 |
| Investment Trends | 4 |
| Stock Quotations | 10 |
| Mining, Week in | 12 |
| Mining Quotations | 10 |
| Oils, Week in | 12 |
| Oil Quotations | 10 |
| Pulp and Paper | 15-28 |
| Wheat, Week in | 11 |
| Wheat Quotations | 11 |


## Province of Quebec

Offering of $14,725,000 in 3½% sinking fund debentures of the Province of Quebec is announced by a large number of leading Canadian investment firms, at a price of 97.50. Dated Oct. 1, 1941, to mature Oct. 1, 1953, the bonds afford a yield of slightly over 3.75%. Sinking fund calls for payment of 1% of the face value of the outstanding debentures into the fund annually, and the bonds will be redeemable on 60 days notice after Oct. 1, 1951, at par and accrued interest. Funds will be applied in refinancing of $15 millions of the province's obligations which matured Aug. 1, 1941, and Nov. 1, 1941. The earlier maturity has been met by interim bank borrowing.

The "Athlone" by HARTT

For solid comfort, plus long wear and rugged good-looks, Hartt's new "Athlone" is a natural leader! Constructed from Martin's imported Scotch grain leather, on a heavy brogue last, with full-extension sole and heavy-slugged heel. Exceptionally water-repellent. Widely regarded as Canada's finest shoes for men, Hartt shoes are exclusive with Simpson's in Toronto. See the many other new Hartt styles for Autumn. The "Athlone", illustrated, sizes 6 to 12, pair $14.

Simpson's

THE STORE FOR MEN — STREET FLOOR.

• War-time economy means ever shifting markets. To serve you well an advertising medium must provide market-by-market flexibility so that its power may be localized in those areas where potential returns are greatest.

Poster Advertising may be used in any or all of 266 Canadian towns and cities. Whether your sales plan includes one city, a selection of metropolitan cities or all markets from coast to coast, Poster Advertising is designed to deliver concentrated power at low cost in the towns of your selection.

THE POSTER ADVERTISING ASSOCIATION OF CANADA
80 Richmond Street W. — Toronto

# Major Test Of Anti-inflation Policy Nears

(Continued from page 1)

(government and crown corporations for example) and in non-war industry, how can further price increases be avoided?

Today it costs $112.80 to buy for the Canadian family what could be bought for $100 in Aug., 1939. The increase in each of the past four months has been slightly better than $1 per month. At least $6.90 of the increase has been due to higher food prices. Food costs in this representative $100 budget which in Aug., 1939, amounted to about $31.30 are now $38.20—an increase of more than 22%.

Economists and prices statisticians believe the upswing which started three or four months ago has currently spent itself. A sensitive daily index of basic commodities which rose 10 points between July and September started to flatten off definitely in the middle of the month. In the past week or so it has actually declined three points.

**Many Danger Signals**

But whether this is a flash in the pan and how soon the next upsurge will start is anyone's guess. Certainly with Canada now at full employment and new shortages appearing almost daily in both war and non-war commodities and materials, the danger signals are flashing all along the way.

Added to that there is very evident across Canada what Hon. J. L. Ilsley describes as a "defeatist" attitude toward inflation. Businessmen, tradesmen, employers, workers are shrugging their shoulders and saying in effect: "We can't keep the lid on, so why struggle against the inevitable?"

Hon. J. L. Ilsley (through whom the Prices Board now reports to cabinet has taken a strong and vigorous stand that inflation can and must be curbed. There is no question as to what his attitude would be to whatever price controls may be necessary.

## Significant Investors' Index Numbers

| No. of Securities | Mach. and equip. 8 | Pulp and paper 7 | Milling 3 | Oils 4 | Textiles and clothing 10 | Food and allied prod. 12 | Beverages 7 | Bldg. mater. 15 | Power and traction 15 | Banks 8 | Total utilities 19 | Total co's. 95 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (Base 1935-39=100) | | | | | | | | | | | | |
| 1929-40:* | | | | | | | | | | | | |
| High | 345.7 | 564.5 | 322.3 | 212.5 | 168.2 | 123.2 | 163.1 | 202.1 | 297.5 | 160.9 | 329.3 | 180.5 |
| Low | 68.5 | 49.8 | 63.6 | 46.5 | 76.0 | 76.9 | 67.0 | 71.2 | 68.2 | 84.6 | 68.4 | 64.0 |
| 1941: | | | | | | | | | | | | |
| Monthly Figures: | | | | | | | | | | | | |
| Jan. | 77.6 | 74.1 | 72.3 | 51.6 | 110.6 | 96.3 | 104.3 | 84.0 | 75.4 | 94.7 | 77.3 | 71.3 |
| Feb. | 72.9 | 63.8 | 69.5 | 48.7 | 105.0 | 90.1 | 96.6 | 77.3 | 68.8 | 90.9 | 71.3 | 66.5 |
| Mar. | 73.6 | 65.4 | 69.5 | 49.5 | 103.1 | 87.9 | 93.7 | 78.5 | 67.0 | 89.9 | 70.7 | 66.8 |
| Apr. | 73.2 | 63.9 | 68.6 | 49.4 | 101.3 | 88.6 | 88.1 | 77.8 | 62.2 | 89.7 | 68.2 | 65.8 |
| May | 71.8 | 59.7 | 63.4 | 51.3 | 97.4 | 88.6 | 82.8 | 74.4 | 60.3 | 88.3 | 65.3 | 63.9 |
| June | 72.0 | 59.5 | 67.5 | 48.0 | 101.1 | 90.1 | 87.3 | 74.9 | 62.0 | 89.0 | 67.1 | 64.0 |
| July | 76.3 | 66.1 | 67.5 | 48.4 | 105.7 | 90.5 | 94.3 | 77.8 | 65.3 | 89.7 | 70.6 | 67.5 |
| Weekly Figures: | | | | | | | | | | | | |
| Aug. 7 | 77.2 | 70.4 | 71.3 | 49.8 | 107.9 | 91.4 | 95.5 | 80.0 | 64.6 | 89.6 | 71.5 | 68.1 |
| Aug. 14 | 76.3 | 67.5 | 71.8 | 48.7 | 105.2 | 91.3 | 94.0 | 79.0 | 64.4 | 89.8 | 71.2 | 67.5 |
| Aug. 21 | 77.2 | 68.6 | 74.5 | 49.0 | 105.9 | 92.2 | 94.9 | 79.3 | 63.7 | 89.6 | 70.8 | 67.7 |
| Aug. 28 | 76.5 | 74.2 | 72.0 | 48.8 | 106.2 | 92.4 | 98.3 | 80.4 | 64.9 | 89.7 | 71.4 | 68.0 |
| Sept. 4 | 78.4 | 78.1 | 72.8 | 49.0 | 107.1 | 92.6 | 101.2 | 81.5 | 67.3 | 90.2 | 73.9 | 69.2 |
| Sept. 11 | 80.0 | 78.1 | 73.0 | 50.8 | 109.6 | 94.0 | 102.6 | 82.5 | 68.3 | 91.1 | 74.6 | 71.3 |
| Sept. 18 | 82.5 | 81.5 | 75.4 | 54.3 | 109.7 | 94.5 | 105.2 | 84.1 | 70.4 | 91.7 | 76.2 | 73.1 |

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

**Toronto Stock Exchange Index**

| | 20 Indust. | 20 Golds | 10 B.M. | 15 W.O. |
|---|---|---|---|---|
| Sept. 23 | 98.42 | 100.70 | 72.36 | 19.72 |
| Sept. 22 | 98.14 | 100.20 | 72.16 | 19.77 |
| Sept. 20 | 98.11 | 100.33 | 72.19 | 19.95 |
| Sept. 19 | 98.35 | 100.84 | 72.86 | 20.26 |
| Sept. 18 | 99.90 | 102.26 | 74.94 | 20.38 |
| Sept. 17 | 99.60 | 102.35 | 75.29 | 20.27 |
| Month ago | 93.19 | 100.23 | 68.95 | 19.63 |
| Year ago | 105.41 | 99.15 | 69.67 | 23.78 |
| High 1941 | 103.48 | 109.76 | 75.30 | 21.62 |
| Low 1941 | 85.87 | 95.68 | 59.30 | 16.73 |

**Montreal Stock Exchange Averages**

| | 10 Util. | 20 Ind. | 30 Chd. | 10 Pprs. | 15 Golds |
|---|---|---|---|---|---|
| Sept. 23 | 46.2 | 65.1 | 58.8 | 83.89 | 73.02 |
| Sept. 22 | 46.1 | 64.9 | 58.6 | 82.83 | 73.14 |
| Sept. 20 | 47.1 | 65.0 | 59.0 | 81.74 | 73.26 |
| Sept. 19 | 47.5 | 65.3 | 59.4 | 83.62 | 73.30 |
| Sept. 18 | 47.5 | 66.6 | 60.2 | 88.90 | 72.88 |
| Sept. 17 | 47.4 | 66.5 | 60.1 | 88.51 | 72.61 |
| Month ago | 44.5 | 60.8 | 55.4 | 75.69 | 71.02 |
| Year ago | 57.7 | 70.3 | 66.1 | 93.10 | 76.61 |
| High 1941 | 54.3 | 66.6 | 62.3 | 88.90 | 79.99 |
| Low 1941 | 42.1 | 52.3 | 49.3 | 58.96 | 67.38 |

## Obituaries

**Edward E. Reid**, vice-president and managing director of the London Life Insurance Co., director Ontario Loan and Debenture Co., London, Ont., past president National Council Y.M.C.A., president Western Ontario Conservatory of Music, aged 69, at London, Ont.

**Allan E. Renfrew**, former president of Holt, Renfrew & Co. aged 76 at Toronto.

**W. J. Stanton**, head of Stanton Fuel & Cartage Co., Toronto, aged 67, at Toronto.

**W. Wallace Jones**, president Ontario Steel Products Ltd., Gananoque, aged 78, at Toronto.

## Railway Earnings

**Week Ended Sept. 14**

| | 1941 $ | 1940 $ |
|---|---|---|
| C. N. R. | 6,463,901 | 4,888,627 |
| C. P. R. | 4,398,000 | 3,485,000 |
| **Jan. 1 to Sept. 14** | **1941 $** | **1940 $** |
| C. N. R. | 205,490,961 | 166,881,580 |
| C. P. R. | 147,853,000 | 113,217,000 |

# Weekly Record of Financing in Canada

**SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS**

| Municipal— | Date Issued | Sold to | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Cap de la Madeleine R. C. Schools, P.Q. | Sept. | Paul Gonthier & Co., and Gairdner & Co. | 4% | 1943-49 | $42,000 | .... | .... |
| | | | 4½% | 1950-62 | 43,000 | .... | .... |
| Twp. of N. York, Ont. | Sept. | Harrison & Co. | 3% | 1942-46 | 184,000 | 97.52 | 3.75% |
| | | | 3½% | 1947-50 | 166,000 | | |
| Charlottetown, P.E.I. | Sept. | Eastern Securities | 4½% | 1961 | 51,000 | 103.75 | 4.25% |
| Provincial— | | | | | | | |
| Quebec | Sept. | Royal Bank, Bank of Montreal and Syndicate | 3½% | 1953 | $14,725,000 | *97½ | 3.75% |

**OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES**

| Bond Issues— | Date Issued | Offered by | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| St. Maurice Power Corp. | Sept. | Dom. Securities Corp. and Syndicate | 5% | 1956 | $4,000,000 | 100 | 5% |

*Offering price.


# Pulp and Paper Securities

During the past 30 years we have been actively associated with, and have dealt in senior securities of Canadian companies manufacturing newsprint, bleached sulphite, and fine papers.

Quotations and information furnished on request.

*Halifax*
*Saint John*
*Quebec*
*Ottawa*
*Winnipeg*
*Calgary*
*Vancouver*
*Hamilton*
*St. John's, Nfld.*

Royal Securities Corporation
Limited

244 St. James Street
Montreal

330 Bay Street
Toronto

# London Calling

*By Atticus*

## Atticus Analyzes the Basic Difference Between Mackenzie King and George Drew, Who Arrived in London on Same Day — and Tells of Very Respectable Man Who Has Spent So Much Time in Jail

LONDON.—By an odd coincidence Mr. Mackenzie King arrived in London on the same day as his political enemy Colonel Drew, the Leader of the Conservative Party in the Ontario Legislature. Politics in the Dominions are more ardent than here, and opponents do not sink their differences off stage as easily as we do in Britain. Thus the handsome young colonel from Ontario has not changed his mind since that remarkable moment in 1940 when he and the Liberal Premier of Ontario combined in a denunciation of the Mackenzie King Government's war effort.

Mr. King, who is one of the astutest politicians in the world, met their challenge by announcing a General Election. When the votes were counted Mr. King was back with an enormous majority, the Federal Conservative Party was decimated once more, while Colonel Drew, although winning praise for his patriotic zeal, lost prestige as a tactician.

• • •

### *Two Points of View*

I have purposely linked Mr. Mackenzie King with Colonel Drew for the reason that they are not only opposite in politics and temperament, but in their conception of Canada's destiny, Mr. King is absolutely of the New World. As a brilliant student of economics he has confined his mind to the problems of the North American continent, believing that the intimate association of the U. S. and Canada is of supreme importance. In that respect he has done invaluable work in bringing the Americans into closer understanding with the British. Sentimentally, Mr. King is fully loyal to the British connection, but his mind is in the New World and with the people thereof.

Colonel Drew fought in the last war, and believes that the future of Canada lies in an ever firmer association with Britain. The frontier between Canada and the U. S. is not guarded by soldiers, but Colonel Drew wants that frontier to remain forever.

In political acumen Mr. Mackenzie King far outstrips his younger opponent in the provincial parliament. In fact he has defeated all who challenged him until there is no one on the political horizon in Canada to revive the shattered fortunes of the once powerful Federal Conservative Party—unless it is George Drew. Mr. King is a philosopher, deeply interested in personalities, a wise judge and generous encourager of talent, and, being a bachelor, has plenty of time to read.

### *Sir John Brown*

One is continually meeting men who have been retired from public positions on reaching some age limit, though physically and intellectually they are still very fit. Lieut.-General Sir John Brown, Director of the Territorial Army, is a case in point. He has passed 60, but for the administrative work he has been doing at the War Office during the past four years he is at his best, and he possesses a combination of qualities rare in Whitehall.

He joined the Territorials 40 years ago as a private, and by common consent became one of the best officers both in peace and war that the force has produced. In 1925 he took his brigade to grand manoeuvres, and its efficiency astonished Regular Army men. He had been off the active list for six months when, in October, 1937, he was made Deputy Director of the Territorial Army and promoted to Major-General, the first Territorial to be given that rank.

John Brown has a reputation for getting things done, and one secret of his success is that he doesn't care much who gets the credit. Regulations framed in time of peace ought not be allowed to drive such men out of the public service in time of war.

• • •

### *Going Away—*

Our old friend Dr. Thomas Le Breton, the Argentine Ambassador, is about to leave us, and I doubt very much if we shall see him again. This is a thousand pities, for not only is he a great friend of Britain and the best of companions, but he holds a record for attendance at our Parliamentary debates only second to that of M. Maisky. Like Mr. Mackenzie King, Dr. Le Breton is a bachelor, but he has long had the solace of the companionship of his niece, Mlle. Manuela Le Breton. Unfortunately for us, this charming lady is going to accompany her uncle on his Odyssey—which will include the U. S., Mexico, and some of the South American republics.

Like all countries in this troubled world, the Argentine has not escaped internal dissension, and I would not be surprised to see Dr. Le Breton return to domestic politics, despite his venerable years. The turbulent circle of London's diplomatic set will miss his excellency. He has lived a hard life full of strenuous accomplishment and many difficulties. All of which have made him gentle and philosophical. It is a pity he is going.

• • •

### *Estimable "Jail Bird"*

From time to time in these notes I have chronicled the activities of Colonel J. B. (Johnny) Dodge, D.S.O., an American who became a naturalized British subject in 1915. For a man of the utmost respectability he has spent much time in prison. Twice during the Bolshevik regime in Russia he was imprisoned but managed to get away. He commanded a battalion in the last war at the age of 24 and joined up again in this war. When the British Army was in retreat he swam two miles to a ship only to discover that it was German.

From Germany he wrote to me that the Commandant of the German prison camp was a gentleman and that all was as it should be. This did not deceive me, for "Johnny" Dodge knows all about prisons. Therefore it was not surprising when news came that, in conjunction with a number of other British officers, he had managed to escape. Alas! After being near freedom he was recaptured. He is now in a punishment camp where, one imagines, the Commandant is something less than a gentleman. Colonel Dodge is the reincarnation of Dumas's Porthos. He will survive the enemy's knavish tricks.

Copyright, 1941, The Financial Post and The Sunday Times, London.

# Utilities Back War Effort

## Private Firms Meet War Demands Without Capital Aid

From Our Own Correspondent

MONTREAL.—Last year the major privately - owned electric utilities across Canada contributed or spent around $30 millions directly and indirectly on the war effort.

Tens of millions of dollars have been advanced by the Dominion Government to finance plant extensions or the building of new plants by private companies directly engaged in producing war supplies.

In many instances these plants could not function without an adequate power supply. It is all the more significant that, with the single exception of one power development under way this year, the electrical utility industry is doing its part in the war effort without the Government advancing a single dollar for capital commitments.

**$20 Millions on Plant**

During 1940 the major electric utilities paid to the Dominion government around $10 millions in income taxes and spent nearly $20 millions on plant, transmission and distribution facilities.

Capital expenditures were, almost exclusively, on such projects as would further the war effort. New plant or equipment to take care of ordinary demands have been deferred by the operators. Such capital expenditures as have been undertaken since the war have been directly to meet conditions arising out of war conditions.

Nova Scotia Light & Power Co., serving the Halifax-Dartmouth area, spent between $600,000 and $700,000 in 1940 to meet the extraordinary demands arising out of the war effort. Every bit of equipment owned by this company has been put into service.

The principal undertakings in 1940, and the scene of the largest expenditures, took place in Quebec, Saguenay Power and Aluminum Power companies between them spent $400,000 on a new transformer bank and an experimental "runner."

**Run Into Millions**

Shawinigan threw $1.3 million into the jackpot, largely for construction of the new power line crossing the St. Lawrence River at Sorel to serve war industries on the south shore.

Its associated company, St. Maurice Power Corp. spent $8 millions of capital in connection with work on its 167,000 h.p. development.

Southern Canada Power Co. spent several hundred thousand dollars in adding to its transmission and distribution facilities.

In the Montreal area Montreal Light, Heat & Power Consold. spent $1.3 million, while its subsidiary, Beauharnois, distributed over $3 millions on new equipment, dredging canal, etc.

**All for War Effort**

In the Ottawa Valley section MacLaren-Quebec Power Co. and Ottawa Light, Heat & Power Co. spent between $300,000 and $400,000 on new works.

In the western section British Columbia Power Corp. reported an outlay in 1940 of $2 millions; West Kootenay Light and Power, $806,000. Calgary Power $275,000 and North West Utilities $350,000.

**Big Projects in Quebec**

Some of the larger undertakings are:

St. Maurice Power Corp. will spend $4 millions or more this year in completing the initial development at the La Tuque power site. This plant was brought into operation earlier this year—some months before the scheduled date—and already the additional power supply has been absorbed by war industries.

Aluminum Power Co. will spend close to $2 millions in 1941 or contract for an expenditure of close to $2 millions this year. The company is installing new runners at the Chute-a-Caron plant which will increase production by around 25,000 h.p.

The same company has under way development of the Shipshaw power site. This will involve an outlay of between $35 millions and $40 millions. Capital required will be advanced through government agencies and the work will probably take two years to complete.

**Energy For War**

The parent company, Aluminum Co. of Canada, is financing construction of an all-important power transmission cable across the Island of Montreal at a cost of about $1¼ million. This will provide interconnection facilities between the Montreal Power and Shawinigan systems and, in turn, make for greater economic use of the available water resources in the province.

Shawinigan will spend a large amount of money this year in completing the Sorel crossing, as well as for additional works directly connected with the war effort.

Maclaren-Quebec Power Co. is spending nearly $500,000 on a new steam plant in order to release a large block of hydro power for war purposes. The same company is spending over a million dollars in building a dam on the Upper Lievre River which will add substantially to the energy output of the Masson plant.

Beauharnois is spending a couple of million on remedial works in the St. Lawrence River preparatory to the installation of new equipment. The water wheels, generators and other equipment which this company is installing with a view to bringing into operation shortly after the turn of the year, will involve an outlay of an additional two or three millions of capital.

**Building New Plant**

Out west, Calgary Power Co. has started work on a new power plant to provide energy for a war industry established near Calgary. The capital outlay on plant, transmission facilities, etc., will aggregate approximately $3 millions. Completion is scheduled before the end of this year.

On the coast British Columbia Power Corp. is faced with the problem of securing enough energy to meet war demands. While no definite plans have been made, the company is actively considering new developments and may proceed with an $18 million plant at Bridge River.

Other and smaller projects are scheduled for this year. In the aggregate they represent a large capital investment.

## *T. C. A. Traffic 75% For War*

From Our Own Correspondent

MONTREAL. — About 75% of Trans-Canada Air Lines passengers are travelling on business directly related to the war effort, H. J. Symington, president, stated at the termination of his inaugural tour of the system. Mr. Symington was recently appointed head of T. C. A. and made the inspection with O. T. Larson, newly appointed vice-president.

War has been largely responsible for the increase in air mail poundage, according to Mr. Symington. Much of the increase in air express shipments is attributable to delivery of vital machine parts to war industries.

The Lines' work shops are also busy servicing equipment for the R. C. A. F. and Empire training plan. In one day T. C. A. has received as many as 700 aircraft instruments for testing adjustment.

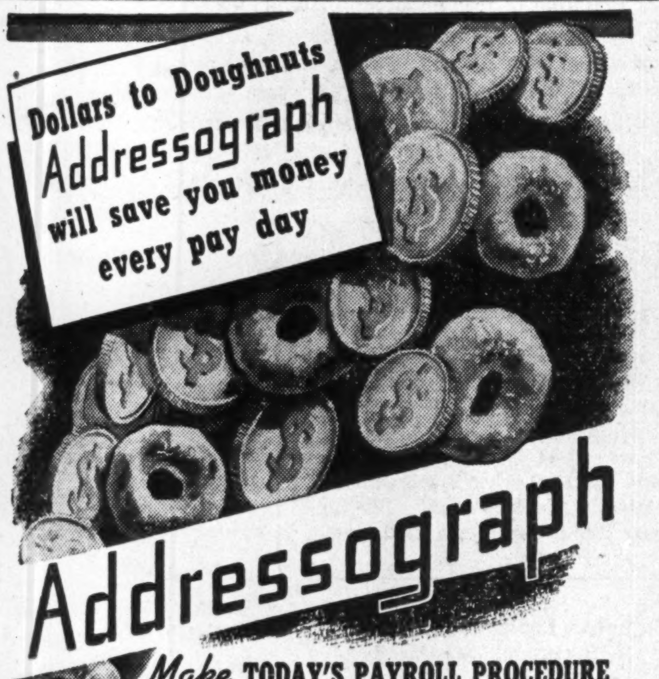
T. C. A. has had to refuse a substantial volume of passenger business, but the company cannot expand its services to meet the demand because of the wartime priority for personnel and equipment.

## C. I. L. Lets Contract Extend Chlorine Unit

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. is making small extensions to its alkali works at Windsor, Ont., in order to increase chlorine production.

Contract has been awarded to the Allen Construction Co., Windsor, for approximately $12,000 for its extension to the manufacturing area to house additional machinery and equipment.

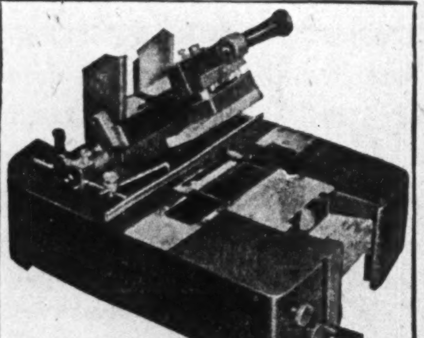


Dollars to Doughnuts Addressograph will save you money every pay day

Addressograph

*Make* TODAY'S PAYROLL PROCEDURE SIMPLE AS A.B.C.

TODAY'S payroll work with deductions for War Savings, Defense Tax, Unemployment Insurance, Group Insurance, etc., is speeded up—simplified—becomes a mere incident in business routine—when you use ADDRESSOGRAPH. Thousands use and praise the broad scope of usefulness, the rapid, accurate work and many money-saving qualities of this modern aid to speed and economy. Good judgment urges you to call the nearby Addressograph Sales Agency today. No obligation.

Addressograph SERVES BUSINESS IN MANY WAYS—
Advertising, Collecting
Customers' Lists
Employee Records
Instalment Accounts
Inventory, Manufacturing
Membership, Orders
Prospect Lists
Sales Promotion
Stockholders, Shipping
Motor Vehicle Registration


CLASS 700—This versatile hand-operated Addressograph is used profitably for even the smallest payroll list. Larger models, electrically driven, are available.

ADDRESSOGRAPH-MULTIGRAPH OF CANADA Limited
Head Office and Factory: TORONTO
Sales and Service Agencies:
HALIFAX QUEBEC MONTREAL OTTAWA TORONTO HAMILTON WINNIPEG VANCOUVER



Some wives object to life insurance -*but* widows never do!

Let your widow bless the day you gave her Imperial Life protection

THOUSANDS of foresighted men, realizing the uncertainties of life and of business, have turned to Imperial Life insurance as an unfailing guarantee of security for their loved ones.

They know that whatever happens their widows will never have the burden of poverty added to the grief of bereavement. They know that the education of their children is assured. And if they themselves survive, they will profit from an unbeatable, never-failing investment.

Decide now to take this all-important step that guarantees your family's financial security, *whatever happens!* Why not see the Imperial Life representative today?

LET US SEND YOU THIS BOOK
The title is: *"How People Use Life Insurance."* You'll find is very helpful. It is free. Write Imperial Life Assurance Co., 20 Victoria Street, Toronto, Ont.

An income for life for this widow with three small children

When Mr. M. died in 1929, his widow was left with 3 small children. Bowed with grief Mrs. M. was spared the added blow of poverty. Mr. M. had provided for his family's future. He owned $20,000 Imperial Life insurance.

Ever since his death Mrs. M. has received a monthly cheque never less than $106, and should she pass on, her children will be provided for until they are of income-earning age.

IMPERIAL LIFE

UNDERWOOD *again* SETS *NEW* WORLD'S ENDURANCE RECORD

12 TYPICAL CANADIAN TYPISTS at a single Underwood made history in winning the Canadian National Exhibition's recent International Typewriting Marathon at Toronto. Their tireless fingers —*some with heavy touch, some light*—assailed their stock-model Underwood, in relays, for 14 days and nights with a continuous 90-word-a-minute battering. On and on it raced! 8,587,225 strokes . . . 1,717,445 words . . . *with never a falter!* A new world's record of prime importance to *every* typewriter buyer . . . convincing, dramatic proof of Underwood's supreme stamina, speed, accuracy and ease of operation.

UNDERWOOD TYPEWRITER

Holder of 32 major world's championships for speed and endurance!

*Built in Canada*
UNDERWOOD ELLIOTT FISHER LIMITED
*Joseph L. Seitz, President*
Head Office: 135 Victoria St., Toronto
Branches in all Canadian cities

NO WONDER UNDERWOOD IS CANADA'S '7-OUT-OF-10 TYPEWRITER CHOICE!* *According to Underwood Elliott Fisher records.

Investment Trends

# Ominous War News Takes Command

### Many Questions Face Investors and Halt Slow Stock Rise — Pulp and Paper Securities' Position Changes Since War Begins

The more ominous tone in the w. news recently was sufficient to halt any optimistic ideas stock markets here might have had. This has not yet been enough, however, to start important declines. Before this happened, Canadian stocks had advanced to the stage where any increasing numbers were at new 1941 highs.

War news seems likely to exert the predominant influence on markets again over the next few weeks. Ability of the Russians to stay in the fight, possibility of intensified German attempts to bomb Britain, heavier losses in shipping—any of these things may determine whether or not stocks are going up or down, at least over the shorter term. For New York there is what appears to be an increasing likelihood that the U. S. will become an active belligerent before long.

There is a strong viewpoint which holds that any important recessions taking stock market averages down perhaps five or ten points below prevailing levels would be the signal for confident buying. Partly this would be an inflationary aspect, and partly due to confidence in eventual victory and ability to weather whatever the war may bring.

* * *

### *Pulp and Paper*

This week The Post presents the position of the pulp and paper and skilled industries in Canada. It is a story of great interest to investors, not only because of the widespread holdings of such securities but also because of the story it tells of the industry today.

The pulp and paper industry is one that can show gains resulting from wartime activity; gains which can be carried through to the earnings statement. Partly this is due to the starvation period through which industry lingered for so long prior to the war. Any improvement is important in such a case. Partly it is due to the evidence of wise handling of relations with U. S. publishers, a policy not always shown in past years.

At any rate there is excellent prospect that more investors in pulp and paper stocks will find their long period of no returns ending. More dividends are in prospect while the companies should be able to repair depression-weakened treasuries.

There should be no suggestion in this story that the path is entirely smooth sailing or that the post-war period will not bring with it serious problems. Both of these factors should temper optimism regarding the industry's outlook. But the story as told in this week's supplement is one worthy of study by present and prospective investors.

* * *

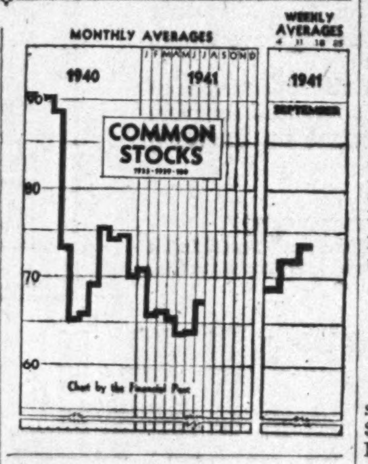
### *Massey-Harris Rumors*

As at any time when a plan for widespread changes in the financial set-up of a company are being considered, Massey-Harris shareholders are wondering what their action should be. So far there is little evidence that the weight of approvals will not outweigh the disapprovals. It is said that the scheme was discussed, prior to presentation, with holders of enough shares, both preferred and common, to make its eventual acceptance reasonably certain.

But among common shareholders there is evidence of some distrust in the widening spread between preferred and common, particularly in the if-as-and-when issued trading on the new securities. There has not yet appeared any organized opposition nor any active solicitation of proxies in opposition to the scheme sponsored by the directors.

One general criticism that could be advanced by all shareholders and the public as well is that the whole plan is too complicated. Nor does the company's official letter do much to clear up confusing situation in which shareholders find themselves when they attempt to appraise their prospective position.

Moreover, the company gives no clue as to how operations for the current year have progressed although nine months had passed prior to presentation of the plan.



*NEW HEAD*

Wm. Donald Murphy, industrial advertising man of Chicago, was elected president of the National Industrial Advertisers Association at the final session of the 19th annual conference of the association, held at the Royal York Hotel, Toronto, Sept. 17, 18, 19. He succeeds R. P. Dodds, of Youngstown, Ohio.

Mr. Murphy is account executive for Reincke-Ellis-Younggreen and Finn Advertising Agency. He is vice-president of the N. I. A. A. Formerly he was research engineer for Bethlehem and U. S. Steel Companies.

Vice-presidents of N. I. A. A. elected are: H. V. Mercready, of Garwood, N.J.; L. J. Ott, of Mansfield, Ohio; L. R. Garretson, of Philadelphia; Anthony Neher, St. Louis; E. C. Howell, Detroit; E. A. Phoenix, New York. C. D. Davenport, of Albion, Mich., was elected secretary-treasurer.

# Loblaw Profits Lower in 1941

### Sales Gain of $6.6 Millions Wiped Out By Higher Taxes,

Working on lower profit margins in keeping with its wartime policy, Loblaw Groceteries Co. Ltd. had net earnings before taxes of 5.58 cents per sales dollar in the year ended May 31, 1941, against 6.66 cents on the dol in 1940 and 6.47 cents in 1939. After allowing for taxes, net profits accounted for 3.4 cents of the sales dollar against 4.7 cents in 1940 and 5.3 cents in 1939.

As a result of the increasing tax burden and the narrowing gross margin of profit, an increase of $6.6 millions in sales volume brought an increase of only $53,484 in net operating profits, while net profits available to shareholders were $203,300 lower than in 1940.

**Operate 113 Stores**

With one less store in operation than at the end of the previous fiscal year, Loblaw's 113 units had an average turnover per store of $312,405 as compared with last year's $251,980. Operating earnings per store showed a smaller improvement, $17,423 against $16,771 last year.

Much of the gain in efficiency of the units operated is traceable to the modernization programme which has been followed in the past several years. This programm. will be continued, but in compliance with wartime restrictions governing wartime priorities, according to J. Milton Cork, president.

In spite of lower net profits, earnings per share of Class "A" and "B" stock amounted to $1.45 against dividends and extras totalling $1.25, the same rate of disbursement that has been in effect since the 1938 fiscal year. Last year's earnings amounted to $1.64 per share. Financial statement of the company is covered elsewhere in this issue of The Financial Post.

# Company Reports

## Loblaw Groceterias Ltd.

Despite an increase of 22.89% in sales, from $28.7 millions last year to $35.3 millions for the year ended May 31, 1941, rising taxes pushed earnings of Loblaw Groceterias Ltd. down 19 cents per share, left dividends still covered with a 20-cent surplus.

Allowance for income and excess profits taxes increased to $770,000 against last year's $550,000, an amount which later proved to be too high, actual tax payment totalling $509,679.

Working capital was nearly $100,000 lower in the 1941 year, but fixed assets advanced, bulidings up from $2,284,481 to $2,408,534, furniture and fixtures from $2,248,152 to $2,483,154. Depreciation reserves rose from $2,687,889 to $2,834,611. Greater business activity is reflected in the increase in inventories from $2.5 millions to $3.3 millions.

**Income and Surplus Account**
**Years Ended**

| | May 31 1941 $ | June 1 1940 $ |
|---|---|---|
| Gross sales | 35,301,817 | 28,725,736 |
| Net oper. profit | 1,924,834 | 1,871,350 |
| Add: Invest. income | 43,996 | 40,579 |
| Total income | 1,968,830 | 1,911,929 |
| Less: Inc. & E.P. tax. | 770,000 | 550,000 |
| Net profit | 1,198,830 | 1,361,929 |
| Less: Dividends— | | |
| Class A | 556,320 | 556,320 |
| Class B | 479,125 | 479,125 |
| Surplus for year | 163,385 | 326,484 |
| Add: Prev. surplus | 3,983,217 | 3,507,066 |
| Profit sale of invest. | ...... | 168,100 |
| Income tax adjust. | 42,173 | ...... |
| Less: Inc. tax adj. | ...... | 18,433 |
| Surplus forward | 4,188,775 | 3,983,217 |
| Earns. per Share: | | |
| Class A & B: Earned | 1.45 | 1.64 |
| Paid: Regular | 1.00 | 1.00 |
| Extra | 0.25 | 0.25 |
| **Working Capital** | | |
| Current assets | 5,843,870 | 5,321,515 |
| Current liabilities | 2,428,045 | 1,809,499 |
| Working capital | 3,415,825 | 3,512,016 |

# Car Sales Run 10% Below 1940

### But Latest Month Only Slightly Behind Year Ago

Based on new car registration of leading models in eastern Canada, car sales for the first seven months of this year were down about 10% from 1940.

Next year, according to orders from Ottawa, passenger car sales are to be cut to approximately half of 1940.

In July, the latest month for which statistics are available, there was practically no change from a year ago, with total sales amounting to well over 5,000 vehicles.

Details of July sales of leading makes and for the year to date as compiled by Canadian Automotive Trade are as follows:

**New Passenger Car Registrations**
**In Eastern Canada**
**12 Leading Makes for the Month**

| | July 1941 | July 1940 | Year to Date 1941 | Year to Date 1940 |
|---|---|---|---|---|
| Chevrolet | 1,311 | 1,356 | 10,590 | 11,078 |
| Plymouth | 888 | 593 | 7,252 | 7,659 |
| Dodge | 870 | 719 | 8,039 | 8,839 |
| Ford | 849 | 861 | 7,991 | 8,379 |
| Pontiac | 512 | 425 | 4,492 | 3,797 |
| McL.-Buick | 234 | 440 | 2,333 | 2,915 |
| Mercury | 197 | 254 | 2,153 | 2,028 |
| Chrysler | 131 | 208 | 1,616 | 2,288 |
| DeSoto | 69 | 82 | 672 | 1,048 |
| Nash | 49 | 41 | 541 | 338 |
| Hudson | 43 | 164 | 558 | 2,096 |
| Packard | 28 | 113 | 231 | 746 |
| | 5,181 | 5,256 | 46,468 | 51,211 |

## Brading Breweries Expands Plant

Brading Breweries, Ottawa, has called for tenders for changes and additions to its buildings, to cost about $50,000, with additional money to be spent on new equipment. Demand for beer to ship to England for Canadian troops is said to be the reason for the need for increased capacity.

Brading Breweries is a wholly owned subsidiary of Canadian Breweries. The property was expropriated by the Dominion government some time ago and paid for. The Brewery now pays rent for the property.

# *Advertising Gains In United States*

From Our Own Correspondent

MONTREAL.—Despite a loss of 16.2% in automotive linage in August, total newspaper advertising during the month was 4% ahead of the same month of 1940, according to records compiled in 52 key American cities by Media Records Inc. The year to date shows a total newspaper advertising gain of 3.6%, with automotive and general advertising off slightly.

Financial produced the outstanding gain in August, being 11.8% ahead of the same period last year. Retail advertising was up 5.9%; department store, 4.6%; while general advertising was off 2.9%.

For the first eight months of 1941, advertising in the 52 cities showed the following returns; retail was ahead 4.6%; financial, 5.8%; total display, 2.6%; classified 7.2% and department store, 4.4%. General advertising was off 2.8% and automotive 4.1%.

# T. C. A. Pulls Out Of P.E.I. Service

From Our Own Correspondent

MONTREAL. — Trans-Canada Air Lines will withdraw its service between Moncton and Charlottetown and Summerside, effective about the middle of next month.

Information to this effect has been received by the Transportation Commission of the Maritime Board of Trade, which also has been informed that the service will be taken over by a company recently organized by C. E. Burke, former Canadian Airways pilot, now connected with the Ferry Command of the Royal Air Force.

The new company also will operate a daily passenger air service between Moncton and Saint John, connecting with T. C. A. planes, and in winter will serve the Magdalen Islands.

When Canadian Airways withdrew from the Maritimes last April, Saint John was without an air connection with T. C. A.

# Com'l Alcohols Sales on Upgrade

From Our Own Correspondent

MONTREAL. — Substantial increase in earnings of Commercial Alcohols Ltd. for the current fiscal year is indicated because of the demand for alcohol base anti-freeze. Unofficial reports are that earnings for the present year may reach 35 cents a share on the common stock, after taxes, etc., compared with net profit of 27 cents a share for the year ended March 31, 1941.

Part of the increase in anti-freeze sales is attributed to a shortage of ethylene-glycol, and recent official action in freezing Canadian stocks of this product, thus removing from the market a competitive product to alcohol base ani-freeze.

Commercial Alcohols has been preparing for this eventuality since early last summer. Initial reports apparently left some of the public under the impression there would be a kind of rationing system in respect to all types of anti-freeze, which is not the case.

Indications are there will be no shortage of alcohol base anti-freeze as distinct from ethylene-glycol and manufacturers will be able to meet all demands.


**5% Interest Return With Security**

The new issue of St. Maurice Power Corporation 5% Second Mortgage Sinking Fund Bonds, due August 1st, 1956, being offered at 100 and interest combine the two essentials—security and favourable interest return.

St. Maurice Power Corporation owns a hydro-electric power plant of recent construction with a present capacity of 178,000 h.p.

The Shawinigan Water and Power Company owns all the Class A common shares of the Corporation as well as having contracted for substantial amounts of power. It also operates under agreement the Corporation's plant as part of the hydro-electric system of The Shawinigan Water and Power Company.

Descriptive circular forwarded upon request.

*36 King Street West*
*Toronto*
*Telephone: ELgin 4321*

**Wood, Gundy & Company**
**Limited**


# Dominion Textile Wages Up 26%

### Second Cost of Living Bonus Announced For All Employees

From Our Own Correspondent

MONTREAL.—Payment of a second cost-of-living bonus in all plants of Dominion Textile Co. is announced by Blair Gordon, president.

The new bonus, adding some $500,000 annually to the payroll, is being paid in addition to the first fortnightly bonus which went into effect on April 28 last.

Plants affected are the cotton mill and print works at Magog, the cotton and rayon mills at Sherbrooke, the mills at St. Gregoire and Drummondville, and Merchants, Hochelaga, Colonial, St. Anns, Mount Royal and LaSalle in Montreal. The bonus is retroactive from Sept. 1.

"There have been four main increases for plant employees of Dominion Textile since the start of the war," Blair Gordon said. "Today the average hourly earnings of the plant employees are 26% higher than in Aug. 1939.

## Foreign Exchange

During the week Sept. 16 to Sept. 22 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

**Other Currencies, Sept. 22**

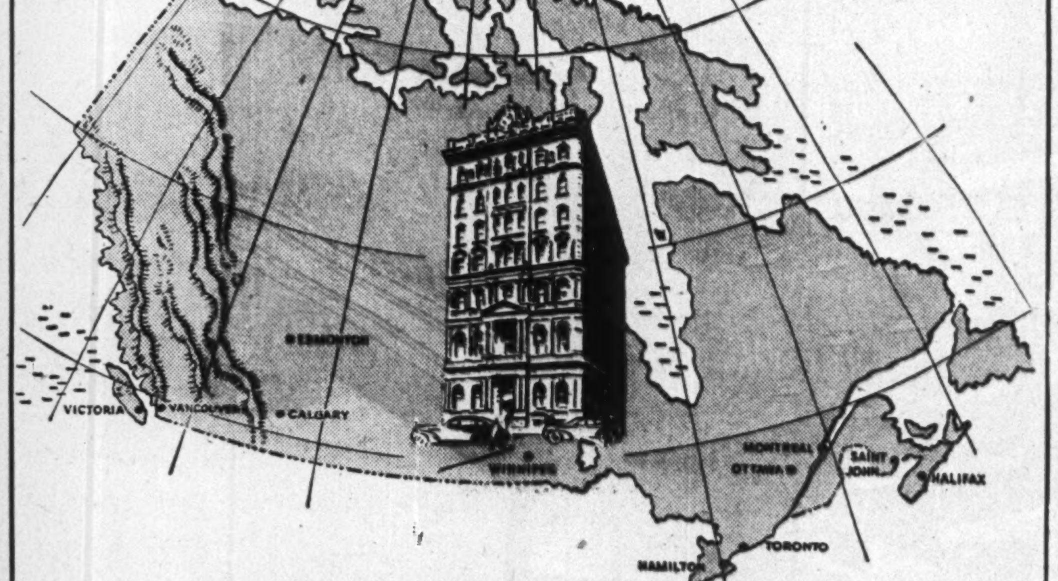
| | | | |
|---|---|---|---|
| Australia | 3.58 | S. Africa | 4.47 |
| India | .3353 | Hong Kong | .2835 |
| N. Zealand | 3.61 | | |

## Refrigerator Sales Still on Upgrade

From Our Own Correspondent

MONTREAL.—Sales of household refrigerators in Canada during July numbered 6,714 units. This contrasts with 5,060 units for the same month last year.

For the first seven months of 1941 cumulative sales totalled 45,345 units, compared with 46,317 to the end of July, 1940.





**AT THE SERVICE OF INVESTORS**

***. . . from Coast to Coast***

FINANCE is playing a tremendously important part in Canada's wartime programme. Many investors today find it necessary to review their holdings with more than usual care with a view to increasing their commitments in War Loan Bonds.

In this respect the Offices of Nesbitt, Thomson & Company, Limited, can be of real assistance. In close touch at all times with Head Office and its Analytical and Statistical Department, each Branch Office is able to render a *complete* investment service.

Investors are invited to make full use of this organization's facilities available at any one of its Branch Offices throughout Canada.

**NESBITT, THOMSON AND COMPANY**
**LIMITED**
355 St. James St. West, Montreal
Branches in the principal cities of Canada

198A



*The Second Mortgage 5% Sinking Fund Bonds, referred to herein, are being offered in Canada, but not in the United States of America. This advertisement is not, and under no circumstances is to be considered as, an offering of any of these Bonds for sale in the United States of America or the Territories or the Possessions thereof, or an offering to any resident of such places, or a solicitation therein of an offer to buy any of these Bonds.*

*We own and offer for sale this new issue of St. Maurice Power Corporation Second Mortgage 5% Sinking Fund Bonds which we have purchased from The Shawinigan Water and Power Company which company acquired the bonds from St. Maurice Power Corporation.*

NEW ISSUE

**$4,000,000**

**St. Maurice Power Corporation**

(Incorporated under the laws of the Province of Quebec)

**Second Mortgage 5% Sinking Fund Bonds**

Dated August 1, 1941 — Due August 1, 1956

Principal, half-yearly interest thereon (February 1 and August 1), and redemption premium, if any, payable in lawful money of the Dominion of Canada at the principal office of the Corporation's bankers in the Cities of Montreal or Toronto, at the option of the holder. Redeemable prior to maturity, at the option of the Corporation, in whole at any time, or in part by lot from time to time, on at least 30 days' prior notice, at the following percentages of principal amount, in each case with accrued interest to the date fixed for redemption: at 103% if redeemed on or before August 1, 1946; at 102% if redeemed thereafter on or before August 1, 1951; at 101% if redeemed thereafter on or before August 1, 1954; and at 100% if redeemed thereafter to maturity. Coupon bonds, registerable as to principal in Montreal and Toronto, in interchangeable denominations of $1,000 and $500.

Trustee: The Royal Trust Company, Montreal.

The Shawinigan Water and Power Company has agreed to advance to St. Maurice Power Corporation on demand sufficient moneys to enable St. Maurice Power Corporation to pay in full, as and when the same falls due, the interest on the Second Mortgage Bonds outstanding and all sinking fund payments required to be made on the Second Mortgage Bonds during the five year period ending July 1, 1946, if and to the extent that the income of the Corporation during such period, after payment of interest, sinking fund and all other charges upon the Corporation's First Mortgage Bonds and upon all other indebtedness of the Corporation and after payment of all other expenses of the Corporation, is insufficient to enable it to pay such charges for interest and sinking fund on the Second Mortgage Bonds during the said period.

In the opinion of Counsel, these Bonds are a legal investment for Insurance Companies registered under The Canadian and British Insurance Companies Act, 1932 (Dominion) as amended.

Descriptive circular will be furnished on request.

**PRICE: 100 and accrued interest, to yield 5%**

We offer these bonds if, as and when accepted by us, subject to the approval of all legal matters on behalf of the Corporation by Messrs. MacDougall, Macfarlane, Scott & Hugessen and on our behalf by Messrs. Hackett, Mulvena, Foster, Hackett & Hannen except that our Counsel will rely on the opinion of Counsel for the Corporation in respect of matters pertaining to the Corporation's titles to properties and rights.

Subscriptions will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close subscription books at any time without notice. It is expected that Trustee's Interim Certificates, exchangeable for Definitive Bonds when available, will be ready for delivery in Montreal and Toronto, on or about October 1, 1941.

The Dominion Securities Corporation Limited

Wood, Gundy & Company Limited — McLeod, Young, Weir & Co. Limited — Aldred & Co. Limited
A. E. Ames & Co. Limited — Collier, Norris & Henderson Limited — Royal Securities Corporation Limited
Nesbitt, Thomson & Company Limited — L. G. Beaubien & Co. Limited — Bell, Gouinlock & Co. Limited
Cochran, Murray & Co. Ltd. — Kerrigan, MacTier & Co. Limited — Savard, Hodgson & Co. Inc.
W. C. Pitfield & Company Limited — Mills, Spence & Co. Limited — Société de Placements Incorporée
Mead & Co. Limited — Greenshields & Co. Incorporated — James Richardson & Sons
Burns Bros. & Denton Limited — Midland Securities Limited — McTaggart, Hannaford, Birks & Gordon Limited
Matthews & Company — René-T. Leclerc Incorporated — Dyment, Anderson & Co.
J. C. Boulet Limitée — Canadian Alliance Corporation Limited — Eastern Securities Company Limited
T. M. Bell & Company Limited — F. J. Brennan & Company Limited — Mackenzie & Kingman

*The statements contained herein are based upon information which we believe to be reliable but are in no event to be construed as representations by us.*

Bond Markets

# New Issues Return To Canadian Market

### Investors Absorb Prince Edward, St. Maurice Offerings Rapidly — Good Response on Quebec Issue

In the past week or so, bond markets in Canada have displayed a considerably more receptive attitude toward new issues. The Prince Edward Island issue for \$2¼ millions was placed in a little over a week. The St. Maurice Power issue of second mortgage 5% bonds, distributed through a wide hook-up of dealers across Canada brought sufficient orders on the first day of offering to clean up the allotments of a number of dealers. A street market appeared immediately as some of these attempted to gain more bonds for their clients.

The \$14.7 million offering of Quebec bonds for the refunding of two outstanding issues is expected to bring an equally favorable response, with that province reporting a probable surplus in the current year.

*Lower Yields*

The Quebec issue is being sold at a yield of 3¾%, as compared with the previous offering earlier this year at 3.81 and 4%. The Prince Edward Island offering was also made on a lower yield basis than its predecessor, and the general march toward lower interest rates is joined this week by North York Township, whose refunding lowers the coupon rate on these debentures from 4½% to 3 and 3½%.

The steady pressure being put on investors by the gradual reduction of interest rates no doubt partially explains the successful offering of St. Maurice Power second mortgage bonds. Priced to yield 5%, the five-year guarantee by Shawinigan Water & Power greatly increases the safety factor.

Throughout, there is increasing evidence in bond circles of the more active steps being taken by investors to raise interest income. Each subscription to Canada's war loans intensifies the need for higher-yield securities, and in a number of cases investors are using Dominion bonds as collateral for better yielding investments.

* * *

*Beating the Interest Rate*

For example, the Vancouver firm of Wolverton & Co. presents its clients with a plan for pledging a \$5,000 Victory Bond for the purchase of some \$10,000 of various mining stocks. Net yield on the transaction, according to Wolverton's calculation, would be 19% on the \$5,000 cash invested.

Whether this is sound practice for the investor depends entirely on the future market action and dividend performance of the securities selected. Whether it is sound from the national viewpoint is a matter for argument.

On the surface, it would appear to be bad business, in that bank credit is being used for other than war purposes. If the practice of pyramiding Victory Bonds ultimately led to a runaway market, to speculative profits being used to divert production from war goods to peace goods, the practice would tend to defeat the war effort.

But under present tax regulations, there seems little chance of stocks being bid up to boom levels, and even if substantial market profits were available, wartime restrictions on production would dam back most of the inflationary effects of those profits. Undoubtedly a part of the profits would be spent, but in many cases the investors who would be doing the spending would have had to live on their capital in any event, owing to heavy taxes and low yields. The higher prices for their securities would merely allow them to rescue some of their capital. The inflationary effects of any bull market that now appears possible would be negligible compared with those of the upward spiral of wages.

* * *

*Repatriation Troubles*

Prices at which the sterling registered stocks of the Dominion and the Province of Ontario are being called up in London afford their British holders premiums ranging from £4 2s. 5d. to £10 12s. 11d., inclusive of accrued interest. The 4% stock of the Dominion, due 1953-1958, of which £15 millions is being called up, are being taken at the highest premium, a yield basis of slightly under 3% to call date.

Of the entire amount outstanding of £35,467,883, only the two Ontario issues, which account for £467,883 would have been redeemed or callable earlier than 1950. In spite of the premium obtained by early redemption, British investors are adversely affected by the unexpected shortening of the maturities of these sterling investments. Investors who had spaced maturities to suit anticipated requirements of cash now find that they have cash for investment 10 to 20 years before they anticipated. The calling up of the Canadian issues ahead of maturity follows that of several Indian Government stocks earlier this year.

From the look of things British investors are going to encounter further sudden redemptions. Since June 30, when the Bank of Canada transferred \$294 millions of accumulated sterling balances to the Foreign Exchange Control Board, as part of a credit of up to \$400 millions, British buying has apparently used up the credit and sterling funds are again overflowing into the Bank of Canada's asset account. The latest figure for sterling and U.S. balances is now up to \$89.6 millions from which it might be inferred that since the end of June Canada's aid to Britain has totalled some \$195 millions, or about \$2.4 millions per day. By way of comparison, the current offering of 56,943 shares of Consolidated Mining and Smelting would bring a gross of \$2,334,663.

Latest in the series of posters distributed to the aircraft industry of Canada is this striking piece donated by the Massey-Harris Co. Ltd.

# North York Refunds Debt

### Toronto Suburb Trades 3, 3½% Debentures for Former 4½% Issue

One of the first formerly defaulted municipalities in Ontario to be relieved of supervision last July, North York Township has successfully converted a major part of its debt to lower interest rates.

At reorganization in 1937, the township paid all past due interest in full, refunded a portion of past due principal at 4½% rates in one to fifteen-year serial debentures. The unmatured debt was left unchanged as to interest rate and maturity. The current financing involves the redemption of the outstanding 4½% debentures amounting to \$397,080, part to be met by a new issue of 3 and 3½% debentures, the balance of \$47,080 by accumulated funds. The cost basis to the township of the new \$350,000 issue will be 3¾%.

**Expanding Suburb**

Back of North York's favorable refinancing lies its expansion mainly as a suburban residential district for Toronto. Forming a bracket to the north of the city and its other suburbs, North York's 1940 assessment roll was 20% rural, the rest includes residential areas ranging from relatively new moderate income housing to some of the highest priced residential districts in the metropolitan area.

Steady growth of the township raised its net taxable debt to \$3.3 millions in 1933, the year of default, but since then the net taxable debt has been gradually reduced to \$2.3 millions at the end of 1940, an estimated \$2.1 millions by the end of this year. Together with the rising population, now double that of 1930, debt reduction has brought down the per capita taxable debt from \$255.91 in 1931 to \$113.29 at the end of 1940. In 1941 it is estimated that per capita debt will fall to \$96.20.

In common with other municipalities, tax collections in North York have shown steady improvement. In 1933, total collections amounted to 84.26% of the year's levy —in 1940 to 105.01%. Figures to the end of July show total collections for 1941 at 77.7% of the year's levy, against 74.8% collected at the same time last year.

Total debt charges for principal and interest this year are \$338,348, after which they taper to \$215,281 for 1950, the last maturity date of the present refunding debentures. Debt charges up to 1950 will be unchanged by the refunding, but in the two following years they will be reduced \$46,500 in 1951 and 1952, the lower interest on the new debentures saving the township the equivalent of two years of debt service on the amount refunded.

# St. Maurice Power Earnings Higher

### Results Better Than Anticipated, Causing Revision of Estimates

From Our Own Correspondent

MONTREAL. — Earnings of St. Maurice Power Corp., owned jointly by Shawinigan Water & Power Co. and Brown Corp., are running well in excess of those estimated when the first mortgage bonds were offered to the public in April last year.

The sharp increase in income over estimates has been due to demand arising directly and indirectly out of the war effort. While no figures have been issued on kilowatt hour sales, the dollar revenue would indicate a very substantial increase.

As a result of the actual experience during the 10 months period ended Aug. 31, estimated earnings have been revised upward:

| 1941 | Revised \$ | Original \$ |
|---|---|---|
| Gross revenue | 1,293,000 | 895,000 |
| Less: Expenses | 360,000 | 343,000 |
| Net revenue | 933,000 | 552,000 |
| Less: 1st mort. int. | 450,000 | 450,000 |
| 2nd mort. int. | 225,000 | ...... |
| Balance* | 258,000 | 102,000 |

*For depreciation, bond discount, income taxes, etc. Original estimate did not make provision for general mortgage bond int.

| 1942 | Revised \$ | Original \$ |
|---|---|---|
| Gross revenue | 1,293,000 | 1,030,000 |
| Less: Expenses | 390,000 | 343,000 |
| Net revenue | 903,000 | 687,000 |
| Less: 1st mort. int. | 450,000 | 450,000 |
| 2nd mort. int. | 225,000 | ...... |
| Balance* | 228,000 | 237,000 |

*For depreciation, bond discount, income taxes, etc. Original estimate did not make provision for general mortgage bond int.

# St. Maurice Pr. Bonds on Mark

### Second Mortgage Issue, Held by Shawinigan, Offered to Yield 5%

From Our Own Correspondent

MONTREAL. — Dominion Securities Corp. is heading a syndicate offering publicly at par \$4 millions St. Maurice Corp. second mortgage 5% sinking fund bonds.

This issue does not represent new financing by the company, the bonds having been turned over to Shawinigan Water and Power Co. in return for advances already made.

In connection with this offering it is pointed out Shawinigan has agreed to advance to St. Maurice Power on demand, sufficient money to enable the company to pay "in full, as and when the same falls due, the interest on the second mortgage bonds outstanding, and all sinking fund payments required to be made on the second mortgage bonds during the period between July 1, 1941, and July 1, 1946," to the extent that net income of the company is insufficient to enable it to pay interest and sinking fund on the second mortgage bonds during the period.

Further particulars of the issue follow:

\$4,000,000
St. Maurice Power Corp.
2nd Mortgage 5% S. F. Bonds
Dated: Aug. 1, 1941. Due: Aug. 1, 1956.

**Company**—Jointly owned by Shawinigan Water and Power Co. and Brown Corp. Has in operation at La Tuque 178,000 h.p. hydro-electric plant. Plant is operated as part of Shawinigan system.

Principal, interest and sinking fund payable in Canadian funds. Shawinigan agrees to make up any shortage in net earnings to cover interest and sinking fund in first five years.

**Sinking Fund**—Commencing 1945, a sum in cash equal to 2.09% of largest amount of bonds outstanding, together with an amount equal to interest on bonds redeemed.

**Security**—Secured by a second, fixed and specific hypothec mortgage and pledge on all properties, rights, etc., subject only to the first mortgage bonds.

**Contracts**—Output of company has been contracted for by Shawinigan and Brown Corp.

**Earnings**—Actual earnings for 10 months ended Aug. 31, 1941, show \$754,954 available for bond interest and \$379,954 available for second mortgage bonds. Interest on second morgtage bonds during period totalled \$147,312.

**Offered by**—Dominion Securities Corp. at par and accrued interest, to yield 5%.

## Bond Tenders

Sept. 27, Sch. Comm. of Val-Morin, P.Q. —\$14,000, 4%, redeemable Sept. 1, 1942-61.

Sept. 29, St. Catharines, Ont. — \$37,106, 3½%, due Oct. 1, 1942-51.

# C.N.R. Reduces Debt \$5 Million

### Repatriation of Grand Trunk Stock Effects Substantial Saving

From Our Own Correspondent

MONTREAL.—A reduction of at least \$5.5 millions in outstanding debt of Canadian National Railways has been effected by repatriation of stock issued by the former Grand Trunk Railway.

Repatriation arrangements, according to a statement issued by the Federal Department of Finance, were made following a British order transferring G. T. R. stock holdings in the United Kingdom to the Treasury in 1940. By Canadian order-in-council the C. N. R. was authorized to purchase these securities held in the United Kingdom and the Finance Minister was allowed to make loans to the railway company for this purpose.

Total amount outstanding was £24,624,000—about \$110 millions—and officials said repatriations were about £23 millions to date.

The remainder of the stock is probably held outside the United Kingdom and thus could not be affected by the order making holdings there available to the British Treasury at a specified vesting price.

The total of £24,624,000 of 4% perpetual consolidated debenture stock issued by the Grand Trunk was included in outstanding funded debt of the C. N. R., with payment of interest guaranteed by the Dominion. When the stock held in the United Kingdom was transferred to the Treasury, the vesting price was £103, 17s. 4d. per £100 of stock purrendered, payable Nov. 26, 1940, plus 7s. 1d. accrued interest.

The vesting order was made on condition that the C. N. R. would purchase the stock from the British Treasury at the vesting price. Dominion loans to the company for this purpose bear interest at the rate of 3½% a year, repayable on demand, and secured by promissory notes and by the securities purchased.

Apart from the reduction in debt of the railway company made possible by the repatriation, an annual interest saving of \$740,000 has also resulted, but against this the railway loses a benefit of \$357,000 obtained through payment of interest in sterling.

## Do You Need More Working Capital?

If so, you are invited to consult us about your requirements. We can accommodate firms that may not wish to do public financing, and that cannot conveniently obtain further bank credit, but who, nevertheless, could use \$25,000 to \$250,000 to advantage for periods of from six months to two years. Communicate with us directly or through your solicitor. Transactions confidential.

**ANGUS & COMPANY**
Members
THE TORONTO STOCK EXCHANGE
MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET
14 KING STREET EAST • TORONTO

# Brown Cuts Loan Needs \$3.5 Million

From Our Own Correspondent

MONTREAL.—Brown Co., prominent sulphite pulp manufacturer in New Hampshire and Quebec, will borrow only \$6.5 millions from the Reconstruction Finance Corp. instead of \$10 millions permitted by the plan of reorganization, according to an announcement by Serge Semenenko, chairman of the reorganization managers. The lower requirements, he explained, resulted from a substantial increase in working capital.

Nov. 19 has been set tentatively as date for distribution of new securities.

In this connection results of operations of the large New England pulp concern and its Canadian subsidiary, Brown Corp., for the 36 weeks' period ended with Aug. 9 of the current fiscal year have been made public. These figures show consolidated working capital, after adjustment for foreign exchange, rose from \$4,011,039 on Nov. 30, 1940, to \$7,469,622 on Aug. 9, 1941.

Consolidated net income of the company and subsidiaries, after adjustment for foreign exchange, for the 36 weeks from Dec. 1, 1940, to Aug. 9, 1941, before depreciation, depletion, income taxes and deferred interest, amounted to \$5,057,839. This compares with \$2,915,635 for the same period of 1940. After depreciation and depletion charges of \$1,231,230 and estimated income and excess profits taxes of \$1,291,024, but before deferred bond interest, such consolidated net income was \$2,535,585. This contrasts with \$1,260,362 for the 1940 period. In 1940 income and excess profits taxes were \$411,826.

Consolidated net sales rose from \$17,471,475 for 1940 to \$21,637,963 for 1941.

Practically all the improvement in net earnings after charges came from the United States operations of Brown Co. While the Canadian subsidiary showed a substantial increase in earnings before taxes, the gain was almost exactly offset by the increase in estimated Canadian income and excess profits taxes, which amounted to \$1,034,900 compared with \$382,500 for the previous year.

Brown Co. separately showed net before depreciation, depletion, income taxes and deferred interest of \$2,852,075 in the 36 weeks to Aug. 9, 1941, against \$1,338,456 in the corresponding period of 1940. After all charges except deferred bond interest, net rose of \$1,769,074 in 1941 from \$477,126 in 1940. United States income taxes increased from \$29,326 to an estimate of \$256,124.

# Jamaica Utility Earnings Gain

MONTREAL. — Jamaica Public Service current revenues are expanding at a rate slightly in excess of increasing taxation. To the end of last July operating revenue totalled \$686,117, a gain of 11.43% over the like period a year ago. Net income, after provision for retirement account, stood at \$137,482, an increase of \$15,037 over the first seven months of 1940.

In connection with the dividend on the company's preferred stock, a considerable amount of which is held in Canada, it is pointed out the dividend is subject to the Jamaica Income Tax which amounts to 6s. in the pound.

A principle of Jamaican tax legislation is to avoid double taxation. The company pays 30% of its net income to the government in income tax. At the same time it withholds 30% of dividends. However, it is pointed out that shareholders who receive a certificate saying the tax was paid can get a refund. Investors whose income from Jamaican holdings is less than £200 annually are not subject to any Jamaica tax. All they have to do to secure refund of the withholding tax is to fill out a form. The company is arranging to look after such applications on behalf of the preferred shareholders.

Where an investor has an income of more than £200 annually he can still get a refund of the withholding tax, though it takes the form of a credit against his Jamaican Income Tax.

Holders of Jamaica Public Service Ltd. common stock, which is a Canadian incorporated company, are not subject to any Jamaica taxes.

## Bond Sales

**St. Maurice Power Corp.**

A large group of dealers, headed by Dominion Securities Corp., offer \$4,000,000 of St. Maurice Power Corp. 5% second mortgage sinking fund bonds, dated Aug. 1, 1941, due Aug. 1956, at par. The bonds have been acquired from the Shawinigan Water & Power Co., which company offers to advance on demand funds adequate for interest and sinking fund payment on St. Maurice second mortgage bonds during the five years ending July 1, 1946, should St. Maurice earnings prove inadequate for the purpose. The bonds are redeemable on 30 days' notice at 103 to Aug. 1, 1946; 102 to Aug. 1, 1951; 101 to Aug. 1, 1954 and thereafter at par.

* * *

**North York Twp., Ont.**

At a price of 97.52, North York Township announces the sale of \$350,000 refunding debentures carrying interest at 3 and 3½%, to Harrison & Co., Toronto. The 3% debentures account for \$184,000 of the total, mature Dec. 31, 1942 to 1946. The 3½% debentures, amounting to \$166,000 mature Dec. 31, 1947 to 1950. Proceeds will be applied against \$397,080 of the township's 4½% debentures issued under its reorganization plan in 1937. Difference between the \$350,000 issue and the amount to be redeemed will be met out of the township's accumulated funds. Sale of the present issue is at a cost basis to the township of 3.75%. The following bids were received on North York's teneder call.

| Firm | Bid |
|---|---|
| Harrison & Co. | 97.52 |
| Burns Bros. & Denton; Fairclough & Co. | 97.137 |
| Dominion Securities Corp.; Wood, Gundy & Co.; A. E. Ames & Co.; Bell, Gouinlock & Co.; McLeod, Young, Weir & Co.; Mills, Spence & Co. | 96.00 |

## Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

PUBLIC-INDUSTRIAL RELATIONS

SIX years of trade paper experience. Married man, 28, with university education, wants change to public or industrial relations work with corporation. Now employed in Toronto. Box 146, The Financial Post, Toronto.

Prosperous Store For Sale

AN OLD ESTABLISHED PROFITABLE Clothing and Dry Goods business, centrally located in growing industrial city in Ontario. Must have \$30,000 cash. Replies, Box 144, The Financial Post, Toronto.

POSITION OPEN

PRODUCER OF A STAPLE LINE OF merchandise has an opening for a young married man, as salesman calling on manufacturers and wholesalers. Previous selling experience desirable and highest references necessary. This is a permanent position with opportunity for further advancement. Apply Box 142, The Financial Post, Toronto, Ont.

SECRETARY-TREASURER

HOLDING responsible position with large manufacturing firm desires permanent change where security not dependent on War Orders. Highest references covering extensive experience in Banking, Dominion Wide Credits, Foreign Exchange, Investment Securities, Office Management, Comptrollers and Treasurer's duties, also Appliance, Radio, Automotive Industry. Box 140, The Financial Post, Toronto.

## CANADIAN GENERAL INVESTMENTS LIMITED

**SPECIAL NOTICE**

**To Holders of Bearer Share Warrants**

Outstanding Share Warrants are to be exchanged for Registered Share Certificates on and after October 15, 1941.

*Canadian General Investments Limited has decided to discontinue Bearer Share Warrants and to issue Registered Share Certificates in their place. Dividend Coupon No. 53 payable October 15, 1941, is the last coupon attached to the Bearer Share Warrants of the Company. After clipping the last dividend coupon there will remain the Share Warrant Certificate.

In order to obtain Registered Share Certificates, bearers of Share Warrants must surrender the Share Warrants to BANK OF MONTREAL, 47 Threadneedle Street, London, England, or to CANADIAN GENERAL SECURITIES LIMITED, 320 Bay Street, Toronto, Ontario (Transfer Agent and Registrar of the Company) on October 15, 1941, or so soon thereafter as possible, whereupon their names will be entered as Shareholders in the Register in respect of the shares specified in the Warrants so surrendered, and future dividends will be paid by cheque in the usual manner. If forwarding by mail it is important for the protection of the bearers of Share Warrants that they be registered and insured against loss in transit.

There shall be lodged with the surrendered Share Warrants a declaration in writing, containing the following information: (1) Name and address; (2) Serial Numbers of Share Warrants, denomination of each Share Warrant and total number of shares represented by the surrendered Warrants; (3) Denomination(s) in which it is desired Registered Certificates be issued in exchange; (4) That the declarant is the bearer of the Share Warrants referred to in the declaration.

Forms of declaration to be lodged with the surrendered Share Warrants may be obtained from the Bank of Montreal, 47 Threadneedle Street, London, England, Canadian General Securities Limited, 320 Bay Street, Toronto, Ontario, or through Banks and Brokers who will be supplied on request.

**DIVIDEND NOTICE**

NOTICE is hereby given that a dividend of Twelve and One-half Cents (12½c) per share on the paid-up capital stock of the Company has been declared to shareholders of record September 30, 1941, payable October 15, 1941. Share Warrant holders will present Coupon No. 53 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Halifax, St. John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By order of the Board.

320 Bay Street, Toronto, Ontario.

E. M. STRAIN, Secretary.

NEW ISSUE

## \$14,725,000
## Province of Quebec

**3½% Sinking Fund Debentures**

**To be dated October 1st, 1941** **To mature October 1st, 1953**

**(Callable on or after October 1st, 1951)**

*Principal and half-yearly interest (April 1st and October 1st) payable in lawful money of Canada in the Cities of Quebec, Montreal, Toronto, Winnipeg or Vancouver at the holder's option. Coupon debentures in the denominations of \$1,000, \$500 and \$100. Debentures may be registered as to principal only. These debentures will be subject to redemption at the option of the Province as a whole but not in part at 100% of the principal amount and accrued interest on October 1st, 1951 or on any subsequent interest payment date on at least sixty days' notice.*

*Legal Opinion: Messrs. Montgomery, McMichael, Common & Howard.*

**In the opinion of Counsel, these debentures will be direct obligations of the Province of Quebec and will be a charge as to principal and interest upon the Consolidated Revenue Fund of the Province. The purpose of this issue is the refunding of loans heretofore effected by the Province aggregating \$15,000,000 principal amount (less sinking funds) maturing August 1st, 1941 and November 1st, 1941:**

**A Sinking Fund of an amount at least equal to 1% of the face value of the outstanding debentures of this issue will be provided annually.**

Particulars of the Funded Debt and other financial statistics of the Province are set out in the official prospectus which is available upon request.

**PRICE: 97.50 and accrued interest yielding over 3.75%**

*We offer these Debentures if, as and when issued and accepted by us and subject to the approval of Counsel above mentioned. Subscriptions will be received subject to rejection or allotment in whole or in part. The subscription books may be closed at the discretion of the Syndicate Managers at any time without notice.*

*It is expected that Debentures in interim form will be ready for delivery on or about October 9th, 1941.*

A. E. Ames & Co., Limited
Wood, Gundy & Company Limited
The Dominion Securities Corporation Limited
W. C. Pitfield & Company Limited
L. G. Beaubien & Co., Limited
Royal Securities Corporation Limited
Nesbitt, Thomson & Company, Limited
Collier Norris & Henderson Limited

Mills, Spence & Co., Limited
McTaggart, Hannaford, Birks & Gordon Limited
Kerrigan, MacTier & Co., Limited
René-T. Leclerc, Incorpée
Gairdner & Company, Limited
Lagueux & DesRochers Limitée
Burns Bros. & Denton, Limited
Hamel, Fugère & Cie, Limitée
Aldred & Co., Limited
Société de Placements Incorporée
Crédit Anglo-Français Limitée
Canadian Alliance Corporation Limited
P. E. Letourneau, Inc.

McLeod, Young, Weir & Co., Limited
Savard, Hodgson & Co., Inc.
Cochran, Murray & Co., Limited
Harrison & Company, Limited
Sweezey Securities Limited
Dyment, Anderson & Co.
J. E. Laflamme, Limitée
R. A. Daly Co., Limited
Clement, Guimont, Inc.
Société Générale de Finance, Inc.
J. C. Rogers & Company, Limited
Paul Gonthier & Co., Limited

Bell, Gouinlock & Co., Limited
Mead & Co., Limited
Bartlett, Cayley and Company, Limited
Midland Securities Limited
J. C. Boulet, Limitée
Matthews & Company
La Corporation de Prêts de Quebec
Oscar Dubé & Cie, Inc.
Ross Bros. & Co., Ltd.
Garneau, Boulanger, Limitée
Des Jardines, Couture, Inc.
A. M. Ramsay & Company
Comptoir National de Placement Limitée

*The statements contained herein are based upon information obtained from official sources but are in no event to be construed as representations by us.*

September 24th, 1941.

# The Editorial Page . .

### Canada Meets Its War Bills

The Minister of Finance thinks that Dominion tax revenues will exceed by $100 millions his budget estimates. He counted on $1,400 millions of ordinary revenues and now looks for a billion and a half.

On this basis, the revised war budget for the current fiscal year presents a picture something like this:

| | | |
|---|---|---|
| **Expenditures** | | |
| Army | $667 | millions |
| Air Force | 386 | " |
| Navy | 170 | " |
| War Plants, etc | 227 | " |
| Total Direct War | $1,450 | " |
| Aid to Britain | 900 | " |
| Total War | $2,350 | " |
| Non-war | 468 | " |
| | $2,818 | " |
| **Receipts** | | |
| Taxation, etc. | $1,500 | millions |
| War Savings Certificates, Funds, etc. | 200 | " |
| Third Victory Loan | 711 | " |
| Apparent sum yet to be raised | $407 | " |

Receipts from sale of War Savings Certificates have not come up to expectations. There is need then for a most determined effort by every group in the country to put the renewed campaign across this fall.

It is possible that total direct war expenditures will fall short of the figures given above and not exceed $1,300 millions, instead of the $1,450 millions appropriated for army, navy, airforce, new war plants, etc.

Already some $711 millions (net after conversions) has been raised by sale of war bonds. There is thus an apparent shortage of between $257 and $407 millions. This will call for additional borrowing, either through the banks or from the public. The sum is one the Canadian people can easily handle. It does not follow though that there must be another Victory Loan campaign before March 31 next. The treasury can make short-term financing arrangements.

### There Are Leaders in Canada

Since The Financial Post has made reference to the lack of inspiration in Prime Minister King's wartime leadership, the Windsor Star wants to know where we could find someone to put in his place.

This reminds us of two conversations a member of The Post staff had with one of the great men of Canada. In the first conversation a year ago he criticized The Post's suggestion of a one-man general manager for war production. "Who is your superman?" he asked. "We have no supermen in Canada."

In the second conversation two or three weeks ago he said, "The only man I know who was big enough for that job was Arthur Purvis, and Purvis is gone."

That is a typically Canadian habit: to think that the only big and capable men in Canada are the ones who have gone before—the MacDonald's, the Laurier's, the Fielding's, the Strathcona's and the Purvis's.

This country has plenty of equally great men today. We are using some of them very effectively in this war. But we are allowing many of them to handle jobs that are below their talents.

### The C. I. O. in Canada

The secretary of the Canadian Congress of Labor is annoyed by the frequent references to the "C.I.O." in Canadian papers. "There is no C.I.O. in Canada. To speak of C.I.O. unions in Canada is all bunk," he declares.

That statement is an interesting and revealing one. A year ago Mr. Dowd was hailing the union of the All-Canadian Congress of Labor and the C.I.O. unions in Canada. Now the letters C.I.O. give forth such a stench that he tries to dissociate the Congress of Labor from the C.I.O. unions. But the pretence won't hold.

The position is very clear and can be simply put. Until a year ago there were four federations of labor unions in Canada:

The Trades and Labor Congress, affiliated with the American Federation of Labor.

The All-Canadian Congress of Labor, which prided itself on having no links with "foreign" unions.

The Canadian Federation of Labor.

The Confederation of Catholic Workers.

John L. Lewis, then still boss of the C.I.O., was looking around for a protective covering for the Canadian branches of his unions, which were in bad odor with the public. He found the All-Canadian Congress willing to lend itself to his purposes. A fusion was arranged. His henchmen moved in and took over the dominant position in the Congress, which dropped the "All" from its name. But the individual C.I.O. unions in the U.S. continued to rule the policies and practices of their Canadian branches.

Today, the C.I.O. unions in Canada are largely run from across the line. And the C.I.O. has, for publicity and propaganda purposes, a "Canadian" federation whose nominal leaders are helpless to stem the tide of illegal C.I.O. strikes and whose only reply, when the C.I.O. scandalizes the Canadian community, is that "there is no C.I.O. in Canada."

The "Canadian Congress of Labor" is a name. The C.I.O. in Canada is a fact.

### Promotion From the Ranks

The 19-year-old son of the chief of Staff of the Canadian Army is a private in the basic training school at Brantford. This is evidence of the new democratization that is coming into Canada's fighting forces. But it is not the only evidence.

Outside of an occasional administrative job calling for specialized ability, no one can now enter the Canadian army with the rank of officer, or even of lance-corporal. Every man joins as a private. All take the initial basic training that is common to soldiers in all the branches. Those demonstrating special qualities of leadership may be sent on to an officers training school, of which we now have two in Canada. If they succeed there, they get the rank of second lieutenant. From then onward their further promotion depends upon their ability.

The Air Force has developed its own similar plan for reaching down into the ranks to find officer material. All men taking training in the British Commonwealth Air Training Plan enter at the same rank—the lowest. Only a certain percentage of those ultimately winning their wings are given commissions. The commissions go to the pupils best demonstrating their worth.

The Navy, where distinctions of class and rank have always been marked, is also seeking to find its top men among the more promising of its "other ratings."

In the last war it was not until the closing stages, when we ran very short of officer material, that there was any wholehearted scheme of promotion from the ranks.

Truly in this war, every Canadian soldier, sailor or airman carries a field marshal's—or an air marshal's or admiral's baton—in his knapsack.

### War in the Want Ads.

The want ads tell their own little war story. Here are numerous hospitals in small towns asking for nurses at $60 to $70 a month. It is easy to see where the nurses have gone. The army pays $5 a day, board, accommodation and adventure thrown in.

The Canadian National Telegraphs asks for "Girls with bicycles to deliver telegrams." (And a lot of people are advertising for girls' bicycles.)

A technical school wants women, 18 to 35, to train for war industry.

Scores of people are advertising for maids or cooks (and won't get them). Farmers, with equal optimism, advertise for hired men.

Summer cottages are for rent for the winter. (There's an army camp near by and houses are scarce.)

### A Dollar Was Big in 1894

Canadian Grocer of October 12, 1894 listed what a dollar would buy at that time. The purpose of the article was to indicate the far corners of the world from which the delicacies of the table were drawn but at this distance the quantities are even more interesting.

For a dollar the shopper got four pounds of beef, some bones of the breast of mutton, a pound and a half of fish, half a pound of bacon, half a pound of butter, four pounds of flour, a pound of sugar, 20 pounds of vegetables, some grapes, some oranges, tea, coffee, salt, pepper and spice.

In all, the dollar bought 36 pounds of food, enough for one week's 21 meals.

Today it costs approximately $2 per person per week for food in Canada in families with income up to $1,800. Today's food probably has much higher nutrition value.

### Editorials in Brief

**Col. the Hon. Henry Cockshutt** of Brantford celebrated this week his fifty-seventh year with the Cockshutt Plow Company.

It's a long time to plough the same straight furrow.

* * *

"No one would think of going on strike in our country in wartime."

"British labor has voluntarily surrendered the right to strike."

**Statements** such as these are coming out of Britain. Is Britain in any greater danger from the foe than Canada?

* * *

**It is estimated** that Washington uses 4 million tons of paper annually or about 20 per cent of the entire U. S. capacity. The government will take over a third of the nation's paper next year and half in 1943.

The paper is going to bulletins, orders, application blanks, instructions, government publications, forms, etc.

At this rate Washington may soon be a city of filing cabinets surrounded by residential suburbs.

* * *

**The forecast** of The Financial Post that a nation-wide speed limit of 40 miles per hour would be set up "for the duration" seems about to be fulfilled.

On modern highways, and driving modern cars, a speed limit of 50 miles per hour in the open country is safe enough. But it is wasteful of gasoline. Canadian motorists will gladly accept a 40-mile per hour limit. Most of them are already observing it in response to the government's request to save gasoline.

* * *

**Women are** operating lathes, drilling machines, broachers and other machine tools in many Canadian plants.

The foreman in one war factory made this comment:

"Women do well in jobs that we never thought of asking them to do. Many of our skilled men have worked so long on the one job that they know precisely how much work they 'can' turn out in a day. The women don't know that there's a 'limit' to what they are able to do, and so the women in this factory are averaging higher production than the men."

* * *

**To some isolationist** American Congressmen their opposition to war is a creed; to others it is a racket. It is difficult to separate the sheep from the goats.

But how the Nazis use Congressmen is well established. For instance: Hitler's chief publicity agent in the U. S. wrote a speech for the late Senator Lundeen, an isolationist. Lundeen delivered it. What he got for delivering it is not known. It was then reprinted and sent out under congressional frank to huge lists of Nazi sympathizers. The people of the U. S. paid to carry the speech but the copies were addressed by Nazi organizations.

* * *

**Albertans pay** little attention to Social Credit these days. One reason undoubtedly is that they are too busy producing bacon, oil and chemicals for the Canadian and British war efforts to be bothered chasing that will o' the wisp. But another reason is that the citizens have learned that none of Papa Aberhart's promises seem to come to fruition. There are still no "dividends"; the "prosperity" certificates are gone and forgotten; the "treasury branches" are costing the taxpayers a lot of money and are doing the people no good.

Social Credit in Alberta is like the volkswagen in Germany. It is something to look ahead to, but not something to realize upon and enjoy.

* * *

**Outlaw Communist literature,** seized by the police in Windsor, called upon the Canadian government to effect a full alliance with Russia. Also, according to the Windsor Star, it sought to create a halo for the head of communist revolutionary activities.

One of the documents called The Financial Post's description of Communism as still the chief enemy on the home front an effort to "sabotage the fight of the Red Army."

Windsor police officials labelled the literature a "vicious attempt to foment trouble among the thousands of young employees of industrial Windsor."

It was inevitable that when Hitler attacked Russia, Canadian Communists should attempt to parade in moral clothes as a cover for their revolutionary activities. The police do well in holding such a destructive movement in check.

* * *

**Herbert Hoover,** who is no Naziphile, no friend of Hitlerism, is nevertheless opposed to "intervention" by the United States. His argument is simple: if the United States puts up enough of the materials of war, Britain will be able to win without the sacrifice of a single American boy.

Can Mr. Hoover possibly appreciate the ruthless cynicism of such an argument? He wants Hitler to be defeated and considers Hitler's defeat to be vital to the safety of America. But he wants that safety to be bought with American cash and British lives.

It is not likely that the war could be won that way. But even if it could, such a result would be more tragic for the United States than for any other nation. The demoralizing effect on the national character of winning a war through material sacrifice only would be very great.

# Other People's Views . . . .

### The Canadian Editorial of the Week

#### Dangerous Complacency

W. R. Plewman, "The War Reviewed" in The Toronto Star

Victory will not be achieved at any time nor be deserved unless supporters of the cause of free civilization realize that last year's deadly peril may return and that they must concentrate on the job in hand, increase their sacrifices and let nothing stand between them and maximum war efficiency.

Germany has most of the resources of Europe at her disposal and she is waging totalitarian war. Britain and her friends are not making anything like a totalitarian effort yet. They must learn to do so if they would set bounds to Nazi tyranny.

In this country only too many citizens lack the will to victory and a sense of their personal responsibility for winning the war. Canada's war effort could be tremendously increased if everybody did his part. Here and in every British country people should save and economize and work as never before.

They should put aside personal and party considerations and be proud to have a sacrificial share in the crusade to save free, Christian civilization and the land they love so well. Throughout this autumn and the coming winter Canada should be producing trucks, armored cars, tanks and planes and all the paraphernalia of war at the maximum rate.

When one thinks of the gallant defenders of Tobruk, the ordeals that they are undergoing for our sake, the terrible consequences that would come upon us if those men and their comrades in other arenas should fail, one can scarcely credit the thought that it is possible that at such a time Canadians would lay down the tools with which trucks and armored cars and tanks and planes are made. Workers and employers need to adjust the conditions in industry from time to time, but surely all such adjustments can be made without doing anything that might deny troops at the front the equipment that might save their lives.

The victory gained by General Wavell in northern Africa last December was made possible by trucks built in Canada. Britain badly needs a still more sweeping victory on that front. If British peoples everywhere possessed a little more dependable information about the war situation and a little more imagination, much of our present slackness would disappear. This is a war to a finish with the issue still uncertain.

* * *

### As Others See Us

#### Cash is Not Fuel

Brantford Expositor

Asking the question, "Is gasoline rationing the best policy?" The Financial Post draws attention to the probable effect of further gasoline restrictions on Government revenue. Last year, it is pointed out, the treasuries of the nine provinces collected more than $56,000,000 in taxes on gasoline. Since then a substantial Dominion tax has been added. The point The Post makes is that, if motorists are rationed and gasoline consumption is thus cut by 25 or 50%, it is to be presumed that the tax revenue from this source will fall off proportionately.

This aspect of the case is worth considering. In more normal times it might be a determining factor. But these are not normal times and the vital issue is not how much revenue governmental departments can get from taxes on gasoline, but how the war machine can get enough fuel for planes, tanks, ships and other mechanized equipment.

All the tax dollars in the Federal or Provincial coffers will not make a Bren gun carrier move a foot. Gasoline will. While cash is a necessary sinew of war, commodities are more important. Gasoline must be made available in sufficient volume. If the securing of it results in a drop in revenue, that financial loss must simply be listed as part of the price that must be paid for victory.

* * *

### What the Papers Are Saying

#### Gun is Unloaded

Montreal Gazette

The government has passed an order-in-council regarding strikes in war industries, and the explanation is given by the Minister of Labor, Mr. McLarty. Neither the order-in-council nor the explanation affords promise that there will be no further strikes in war industries.

Under the new provision a strike in any war industry will be illegal, and participants in it will be subjected to prescribed penalties, unless (1) the dispute has been considered by a Board of Conciliation and the findings presented to both parties, (2) unless, further, the employees have notified the Minister of Labor that they intend to strike, (3) unless, this notice having been given, a vote has been taken under the supervision of the Department of Labor and a majority of the employees concerned have cast their ballots.

The most that this procedure does is to postpone a strike. Once the procedure has been exhausted there is nothing to prevent any dissatisfied group of employees from laying down their tools. Even Mr. McLarty does not appear to see much more in his new order than an assurance of what he calls democratic methods.

The government appears to have been stirred into this not very helpful action by the strike at the McKinnon Steel Industries at St. Catharines, but for some undisclosed reason the procedure has not been designed to cover that strike or any other strike now in progress. It gives the government no additional power to deal with men actually on strike, or to prevent them from striking after the new requirements have been observed. Maybe the national war effort will be speeded by this latest ministerial product, but the odds are against it.

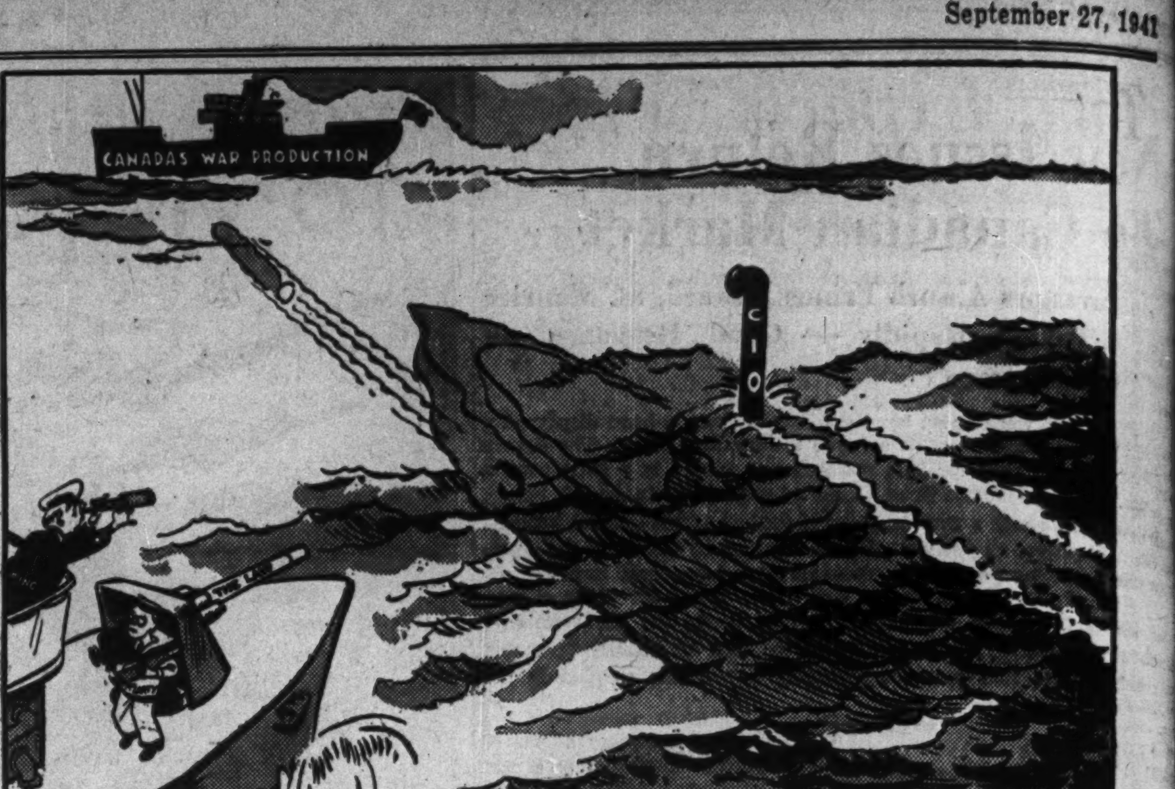
The new gun is unloaded.

* * *

### Stop Me If . . .

He: "The bank has returned that cheque of your father's."

She: "Isn't that fine? What can we buy with it next?"




ANOTHER CASE FOR SHOOTING ON SIGHT

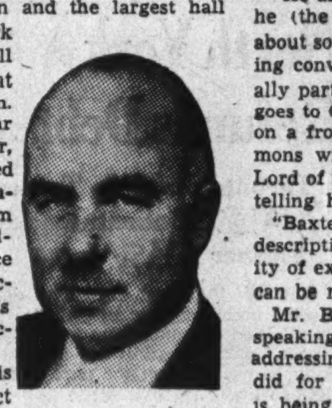
—Cartoon by Grassick

# Post-Scripts . . . .

### Baxter Back

A prophet may be without honor in his own country but not an ex-piano salesman who has made good in Great Britain.

The other day a former citizen of Toronto came back to make a speech before the National Industrial Advertisers Convention and the largest hall in the Royal York was jammed a full hour before that speech began. They came to hear Beverley Baxter, a man just turned 50, but with a career behind him that would already do justice to the most successful of Algier's invariably successful heroes.



MR. BAXTER

Baxter's life is almost a perfect example of being in the right place at the right time. A choir boy with a love of music and a fine voice, he entered the piano business with the old Nordheimer Piano Company back in the days when Cobalt was just entering its shortlived blaze of glory. Young Baxter turned up at Cobalt and in 10 days sold 15 instruments worth $400 apiece. He toured other parts of Canada and sold more pianos.

* * *

The war came along and with almost half a million other Canadians Baxter found himself in France, a lieutenant with the engineers. On leave in Scotland, he tried his hand at short story writing. His efforts were accepted by Maclean's Magazine in Canada and by Chambers Journal in Britain. He wanted Canada's greatest journalistic figure in Britain, Lord Beaverbrook, to see these articles and sent him one. After some discouraging delay he was granted a personal interview — in Lord Beaverbrook's bathroom. The cocky little Canadian dynamo interjected terse comment on the Baxter articles between strokes of the razor.

Beaverbrook offered Baxter a job as editorial writer on his Daily Express. Baxter refused. A few weeks later returning home on the Olympic, Baxter was one of the soloists in the ship's concert of which Beaverbrook was the chairman. After the function he was handed the following note:

"My dear Baxter:

"I have heard you sing. More than ever I advise you to take up journalism.

"Yours, B."

This time the advice was accepted and eventually Baxter found himself in full charge of the Express. He built that paper up to over three million circulation, the largest circulation for any daily in the world. Since then, with a brief two-year venture into British moving pictures, Baxter has stuck with journalism which he has shrewdly combined with politics. His regular readers in Britain and Canada run into many millions. Of his remarkable gift with a pen a Canadian friend and observer of long standing writes:

"He always makes the reader feel that he (the reader) is not merely reading about some great event or some interesting conversation, but that he is personally participating in it. Thus the reader goes to Coventry with Churchill; he sits on a front bench in the House of Commons with Churchill; he has the First Lord of the Admiralty sitting beside him telling him about some naval battle.

"Baxter has learned to combine vivid descriptive language with utter simplicity of expression, so that what he writes can be read without effort."

Mr. Baxter is now touring Canada, speaking to Canadian Clubs, etc., and addressing aircraft workers (a job he did for Beaverbrook in England). He is being greeted by large audiences of citizens who are regular readers of his "London Letter" in Maclean's.

* * *

### Sayings of the Week

"The public can't be fooled. It's always right."—*Cecil B. De Mille.*

* * *

"No one has yet fathomed man's potentialities for good."—*Will Durant.*

* * *

"An air force is a balanced compound of airmen, airplanes and air bases."—*General H. H. Arnold.*

* * *

"We believe that when this war is over, there will be freedom for all—or for none." — *Richard G. Casey, Australian Minister to U. S.*

* * *

"Conscription in Great Britain has been the biggest democratic influence in a decade."—*Beverley Baxter, M.P. in Toronto address last week.*

* * *

"Canada must prepare and have armament so that when the time comes to take the offensive—and there is going to come a time—we can strike hard and heavy."—*J. L. Ralston, Minister of National Defense.*

* * *

"The destiny of humanity has handed to us of North America the high task of keeping open the gates of mercy. Our duty is not to help brave men die, but to help brave men to live."—*Leonard W. Brockington, K.C.*

* * *

"Every full day's labor you do helps to shorten the struggle and brings us nearer victory. Every idle day lengthens the struggle and makes defeat more possible."—*David Lloyd George.*

### Practising Preacher

More than any other man in Canada, Finance Minister J. L. Ilsley is responsible for the wartime economies Canadians are being asked to practise. It is to save our dwindling supply of American dollars that Canadians are being asked to be sparing with gasoline. It is to permit more money going into saving certificates that their wives are asked to preserve more home grown fruits. Mr. Ilsley has asked us to effect these and other wartime economies, but he insists on following his own preaching. B. T. Richardson tells of a very human incident in the Vancouver Sun:

MR. ILSLEY

"The other day an Ottawa housewife boarded a street car at a stop near the civic market with a large basket of peaches in her hand, which she dropped inadvertently as the trolley started with a jerk. The peaches poured over the floor under the seats, and with the motion of the car, rolled backwards and forwards.

"Everyone on the car promptly began picking up peaches and soon they were all gathered back in the basket. Among the volunteer peach-gatherers was a tall, sandy-haired, serious-looking young man. He was Hon. James Lorimer Ilsley, K.C., LL.D., Minister of Finance of Canada, regular patron of the democratic street car and keeper of the national purse strings of the Dominion."

It does not surprise Ottawa that Mr. Ilsley rides on street cars. He is known in the capital as an earnest practiser of all the thrift doctrines he preaches.

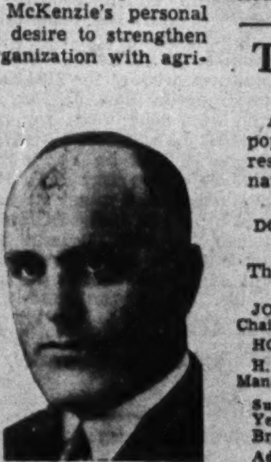
But this young Nova Scotia lawyer, he is only 47, who fills one of the most burdensome jobs at Ottawa does more than practise personal economy. He believes in telling the public what is done with this money the government is so anxious to have them save and lend. He has just finished a series of addresses throughout western Canada in which he explained to capacity and actually enthusiastic audiences just what our exceedingly heavy wartime financial policy involves.

* * *

### Strengthening Farm Ties

In selecting Donald Gordon McKenzie as its President, the Canadian Chamber of Commerce was undoubtedly moved not only by Mr. McKenzie's personal qualities but by a desire to strengthen the ties of that organization with agriculture.

Mr. McKenzie was born in Brandon, Manitoba in 1887. His parents both of Highland descent, came from Huron County, Ontario. His father, Roderick McKenzie, inspired his son's lifelong association with western farmers' organizations, for he was both a founder of the Manitoba Grain Growers Association, now the United Farmers of Manitoba and was for long secretary of that body.



MR. McKENZIE

Donald McKenzie took a two-year course in the Agricultural College in Winnipeg after he left high school. He went back to the farm but found agricultural organization taking an increasing amount of time. In 1922 (after almost ten years of farm association work) he quit full-time farming to become secretary of the Manitoba provincial farm organization. Four years later he was called to Ottawa to help W. H. Moore organize the Dominion Tariff Advisory Board.

In 1926, Premier Bracken asked him to return to Manitoba as Minister of the newly expanded Department of Mines and Resources. His job was to organize and develop under provincial auspices the natural resources which had just been returned to the province. In 1932, he was named Minister of Agriculture in the Bracken Government.

Since 1919 he had held his father's directorship on the Board of the United Grain Growers. In 1935, he joined the organization full-time as its vice-president. Today he is, as well, managing director of the U.G.G. subsidiary, Public Press, Ltd., publishers of the Country Guide and Nor'west Farmer.

One of Mr. McKenzie's pet hobbies is chemurgy. Chemurgy in case you do not know, may be defined as finding, largely through chemistry, new industrial uses for farm crops. His imagination was fired six years ago when Henry Ford held the first chemurgic council at Dearborn. Since then he has preached in season and out the possibilities to western Canada of an enthusiastic interest in chemurgy.

Year after year he urged support of chemurgic ideas on western Boards of Trade. Finally a resolution passed by the Winnipeg Board helped inspire the Canadian Chamber of Commerce to take some action itself. Donald McKenzie has been the special C. of C. National Committee which brought in last May the first basic survey of Canadian research on the industrial utilization of farm products.

One angle which interests Mr. McKenzie especially at the moment is the possibilities of flax which he looks on as one of Canada's best bets for profitable alternate production in many parts of northern Manitoba and Saskatchewan.

In step with his increasing executive responsibilities, Donald McKenzie has found time to raise a large family—four boys and four girls. He also has acquired a farm, three quarters of a section (480 acres) near Brandon. Some day he hopes to operate that farm himself. He boasts that it is among the finest land in Manitoba. On it he has already established mixed farming, including a wide variety of hardy apples and other fruits.

"This is a war of smokestacks." —*Gen. George C. Marshall, U. S. Chief of Staff.*

* * *

"Morale, like charity, should begin at home."—*Robert Patterson, Undersecretary of War.*

* * *

"Now is the time for wage-earners to get out of debt."—*Mariner Eccles, Chairman, Federal Reserve Board.*

* * *

"Any man who reads too much and uses his own brain too little falls into lazy habits of thinking." — *Albert Einstein.*

* * *

"Too heavy taxation encourages extravagance in business and economy is vitally necessary at the present time."—*J. L. Ilsley, Minister of Finance.*

* * *

"It must be explained again and again to people who like to think of the United States Navy as invincible that this can be true only if the British Navy survives. That is simple arithmetic."—*President Roosevelt.*


## The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

FLOYD S. CHALMERS, Editor
DOUGLAS M. GOWDY, Business Manager

Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2.
JOHN BAYNE MACLEAN, Founder and Chairman.
HORACE T. HUNTER, President.
H. VICTOR TYRRELL, Vice-President and Managing Director.

Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $6.

Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.

Montreal: Dominion Square Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
New York: 522 Fifth Ave.
Chicago: 309 West Jackson Blvd.
London, England: Quadrant House, 55 Pall Mall, S.W.1.

# Two Experts Survey Prairie Situation

## See Purchasing Power Down — Costs Moving Up

Prairie farmers will have much less money to spend on eastern made goods this winter and next spring, two well-known western observers, Major H. G. L. Strange, Research Director, Searle Grain Co. and R. D. Colquette, Editor of the Country Guide, inform The Financial Post.

Labor and other costs are mounting, these experts point out, while the major source of farm income—wheat—has produced a crop very much below a year ago. To some extent new income from mixed farming, chiefly hogs, has offset the drop in the wheat revenue.

**See Sharp Drop**

Shrinkage in farm income as compared with last season will be particularly apparent during the first half of 1942 as the light current wheat crop should then be largely marketed. A year ago due to rigid delivery quotas and bonuses for farm storage, as much crop was marketed after the New Year as before it.

Looking ahead to the 1942 crop, a serious shortage of labor, it is stated, may affect farm production. Already some labor has moved from the west to eastern war factories and after the present harvest is cleaned up a greater exodus is expected.

**Incomes Compared**

Gross farm income for the three prairie provinces this crop year (Aug. 1 to Aug. 1) is estimated by Major Strange at almost $340 millions compared with $382 a year ago and a top of $611.8 in the banner year of 1928. The figure for the current year includes almost $50 millions of special Dominion government assistance for reduction of wheat acreage, etc. Offsetting this difference to a slight extent is the fact that living costs Major Strange estimates, are about 10% less today than in 1928 although up from 1941.

But this, says Major Strange, tells only part of the story. From net income must be subtracted a sum sufficient to maintain a minimum standard of living and to continue farm production.

**Real Spending Power**

"Now the difference," he states, "between these bare living and production costs and the total net real income, represents the sums the farmers had on hand each year, to pay for such things as debts, mortgages, life insurance, medical care, schooling (other than the country grade schools mainly up to the 8th grade only), recreation, holidays etc., none of which items is included in the costs of bare living and production included in the Searle Index from which my calculations are based.

"If these sums required for the bare cost of living and production — to keep farmers operating at all—are deducted from the 'real' income, we find that in 1928 the farmers had left, the sum of approximately $292 millions to pay for things other than the bare cost of living and production.

"In 1929 the sum left over for these purposes was approximately $160 millions; in 1940 it was $150 millions and in 1941 after the government grants are included, the amount will be approximately $85 millions or a reduction of $65 millions from last year, and of about $200 millions from the 1928 figure. This situation of having so little left over with which to pay debts etc., explains the present extreme difficulties of our western farmers."

Despite these difficulties, however, Major Strange reports no complaints about sacrifices in a recent tour of western Canada. "During the whole of my journeyings I did not hear one single complaint from the farmers about the sacrifices they are enduring and the hardships they have to face, 'for,' they say, 'this is wartime and each must make whatever sacrifices are required in order to win the war.'

"I did, however, hear a good deal of wondering why the government is willing to permit industrial labor in munition plants and other places, to strike for higher pay, to enjoy such high wages, to be taxed so little, and to receive in addition cost of living bonuses, which are often greater than the entire national defense tax industrial workers are asked to pay.

"Why," many farmers ask, "are farmers asked to make such great sacrifices, when industrial workers appear to be better off than ever they were before the war?"

While Editor Colquette expects revenue from mixed farming to continue to increase, he reports a big drop in wheat "it looks as if the crop will barely reach 300 million bushels," he says. "What has happened has been that the weather has completed the work which the government started. The government set out to reduce wheat acreage by one third. The actual reduction was about one quarter. The reduction in yields, particularly in Saskatchewan and eastern Alberta has brought the total yield down to a point somewhere around what will be required for this crop year's market."

**Labor Short**

"This harvest there has been a rather acute labor shortage," says Mr. Colquette. "One result was a strong demand for combines, with the result that there was some rationing of combines between the provinces by the companies. The labor situation, actual and looming, has made it necessary for farmers to make heavy purchases of machinery and this tendency has also been accentuated by the depreciated condition of farm equipment. The labor situation is caused partly by enlistments and partly by a drainage of labor to the industrial areas of central Canada.

"There is no surplus labor in this western country at the moment, in fact there is a severe shortage and old men, women and children are working in the fields to help out. As soon as harvesting and threshing is over, however, there will be a lot of free labor and what I am afraid of is that this will drain away in the slack season and leave us in a bad mess next year when we need it again."

# Manitoba Beet Sugar Season Again Opens

From Our Own Correspondent

WINNIPEG.—Plant of the Manitoba beet sugar factory is now being groomed in readiness for the opening of its second season, Oct. 1, according to Thomas Heath, managing director of the Manitoba Sugar Co.

As a result of its first year's operations the company has expended during the past summer more than $60,000 in capital improvements to improve facilities for receiving the beets from growers. These improvements include the erection of receiving stations at Letellier, Arnaud and Portage la Prairie in addition to the 13 stations with mechanical receiving equipment which operated last year. Various improvements have also been made about the factory and at the receiving and storage yards at the plant.

Farmers will commence harvesting sugar beets Sept. 25 and it is anticipated the harvest will be substantially greater than last year. Tests made at the plant indicate the sugar content as satisfactory, says Lloyd Scott, superintendent of the company's agricultural department.

Upwards of 2,000 men will be engaged in the sugar beet harvesting operations, while with the opening of the plant at the beginning of October more than 300 men will be engaged at the plant and at receiving stations located in beet growing areas.

Mr. Heath says first year operations were entirely successful and by the time the new crop is harvested, last year's sugar production will have been sold and plans are under way for adding new lines of sugar products which will be manufactured at the plant.

Current assets include cash on hand and in banks $874, accounts receivable $17,459; inventories as determined and certified by the management and valued at cost, $694,380.

Current liabilities are made up of bank loan and overdraft (secured) $420,213; accounts payable and accruals $113,731 and provision for income tax and excess profits tax $15,000. Total assets are given as $2.7 millions. Included in liabilities is an issue of 5% first mortgage sinking fund debentures, due July 1, 1960, secured by first mortgage and floating charge, guaranteed by the province of Manitoba, $600,000. There is also an issue of 15,000 6% preferred shares and an authorized issue of 35,000 common shares of which 34,000 are outstanding.

**Profit and Loss Account**
Period from Jan. 1, 1940 to Mar. 31, 1941

| | $ |
|---|---|
| Gross profit | 173,985 |
| Less: Depreciation | 60,005 |
| Executive salaries | 15,337 |
| Debenture interest | 10,387 |
| Debenture discount | 2,063 |
| Bank interest | 12,263 |
| Legal charges | 330 |
| Net profit and surplus | 58,600 |

**Working Capital**

| | $ |
|---|---|
| Current assets | 712,714 |
| Current liabilities | 548,944 |
| Working capital | 163,770 |

# The Week in Business

**Current business** shows gains over previous week and last year. D.B.S. index of business activity for week ended Sept. 13 slightly above previous year and 11% above last year.

**Railway carloadings** for week ended Sept. 13 higher than year ago. Total for year to date up 15%.

**Railway traffic earnings** in second week of September above 1940 level for both roads. Cumulatives for year to Sept. 14 up 23% for C.N.R. and 30% for C.P.R.

**Automobile production** shows increase in trucks in August with passenger car output lower. Total passenger car production for eight months down 6%; total trucks almost double 1940 figure.

**Automobile financing** shows increase in August for both new and used cars. For first eight months of 1941 up 20% for new and 30% for used cars.

**Newsprint exports** in August slightly under 1940 figures, but up 4% for year to August 31.

**Life insurance sales** 20% higher in August than year ago. Cumulative for eight months about 8% higher.

**Dressed lumber** exports slightly lower for August and eight months.

**Cotton consumption** lower in August; up 2% for first eight months of 1941.

**Cigarette consumption** shows increase over 1940 for both August and year to Aug. 31.

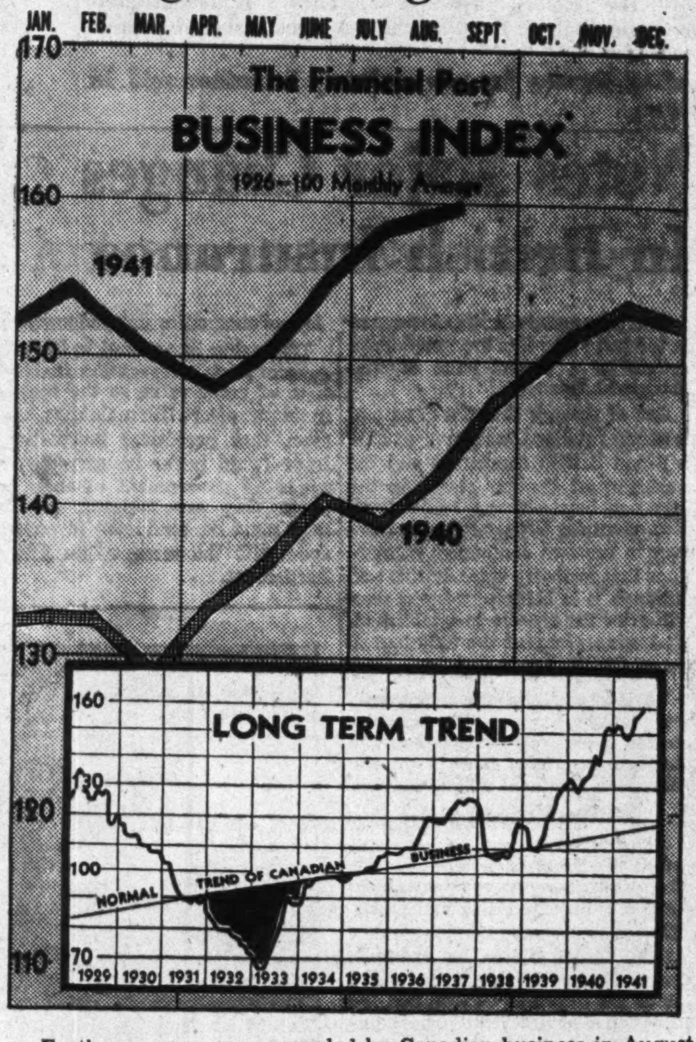
**Bond sales** down slightly in August but 9% higher for eight months.

**Trend of business** shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪.

| TREND OF BUSINESS— | Sept. 13 | Sept. 6 | Aug. 30 | Aug. 23 | Sept. 14/40 |
|---|---|---|---|---|---|
| Weekly index of business, D.B.S. | 116.5 | 114.9 | 114.9 | 114.8 | 104.5 |
| Commodity prices index no. | 92.4 | 92.1 | 91.9 | 91.8 | 83.0 |
| | Aug. | July | June | May | Year Ago |
| ▪The Financial Post business index | *160.1 | 158.9 | 155.1 | 150.3 | 142.9 |
| National Income, D.B.S.• | .... | 447.5 | 436.1 | 439.6 | 420.6 |
| Retail sales index no. | .... | 135.0 | 134.3 | 134.5 | 114.5 |
| Dept. store sales index no. | .... | 132.5 | 123.1 | 129.2 | 114.6 |
| Wholesale sales index no. | .... | 147.0 | 140.6 | 148.6 | 112.8 |
| Country store (% change pr. yr.) | .... | +13.2 | +5.2 | +8.6 | +6.2 |
| COST OF LIVING— | | | | | |
| D.B.S. index | 113.7 | 111.9 | 110.5 | 109.4 | 105.9 |
| Family weekly budget | .... | .... | $18.50 | $18.30 | $17.72 |
| EMPLOYMENT INDEX Nos., D.B.S. | July 1 | June 1 | May 1 | Apr. 1 | Year Ago |
| ▪All industries | 157.6 | 152.9 | 145.5 | 141.3 | 124.7 |
| ▪Manufacturing | 172.9 | 168.0 | 162.3 | 158.2 | 130.3 |
| | | | Jan. 1 to date | | % |
| RAILWAYS— | 1941 | 1940 | 1941 | 1940 | Change |
| ▪Carloadings (week Sept. 13) | 70,421 | 61,779 | 2,196,568 | 1,920,581 | +14.3 |
| ▪C.N.R. gross (week Sept. 14) $ | 6,463,901 | 4,888,627 | 205,490,961 | 166,881,500 | +23.1 |
| ▪C.P.R. gross (week Sept. 14) $ | 4,398,000 | 3,485,000 | 147,853,000 | 113,217,000 | +30.6 |
| ▪C.N.R. net revenue (Aug.) $ | 5,171,732 | 3,668,181 | 42,196,254 | 24,040,849 | +75.5 |
| C.P.R. net revenue (July) $ | 3,195,419 | 2,404,830 | 23,115,113 | 15,040,837 | +53.8 |
| IRON AND STEEL—(July)— | | | | | |
| Pig iron production (tons) | 102,005 | 95,924 | 726,556 | 645,551 | +12.7 |
| Steel ingots and castings prod. (tons) | 197,316 | 169,583 | 1,345,751 | 1,127,823 | +19.3 |
| AUTOMOBILES—(Number)— | | | | | |
| Passenger Cars: | | | | | |
| Domestic sales* .. (July) | 6,306 | 4,542 | 64,393 | 74,244 | —13.3 |
| ▪Factory output .. (Aug.) | 3,160 | 1,510 | 72,208 | 77,086 | —6.3 |
| Trucks and Buses: | | | | | |
| Domestic sales* .. (July) | 3,005 | 2,276 | 23,771 | 19,173 | +24.0 |
| ▪Factory output .. (Aug.) | 14,032 | 12,483 | 122,509 | 62,321 | +96.6 |
| Financing: | | | | | |
| ▪Used (Aug.) $ | 4,172,626 | 3,740,564 | 38,458,062 | 29,606,637 | +29.9 |
| ▪New (Aug.) $ | 2,447,964 | 1,973,436 | 28,615,207 | 23,886,974 | +19.8 |
| CONSTRUCTION— | | | | | |
| Contracts awarded (Aug.) $ | 36,123,900 | 40,747,900 | 283,545,300 | 195,489,000 | +45.0 |
| ▪Cement prod., bbls. (June) | 959,000 | 929,000 | 3,351,746 | 2,727,862 | +22.8 |
| AGRICULTURE— | | | | | |
| Flour prod., bbls. (July) | 2,116,896 | 1,222,975 | 12,133,395 | 8,790,547 | +38.0 |
| Flour exp., bbls. (Aug.) | 1,436,566 | 575,756 | 8,820,361 | 4,641,626 | +90.0 |
| Wheat exp., bush. (Aug.) | 14,720,958 | 11,401,161 | 133,088,617 | 90,970,959 | +46.3 |
| Cattle sales▵ (Aug.) | 110,413 | 116,817 | 695,702 | 673,011 | +3.3 |
| Hog sales▵ (Aug.) | 351,396 | 327,997 | 3,797,613 | 3,023,633 | +25.6 |
| SEA FISHERIES—‡ | | | | | |
| Catch cwts. % (July) | 1,630,000 | 1,326,200 | 5,275,800 | 6,155,700 | —14.2 |
| Landed value (July) $ | 4,960,000 | 3,439,000 | 12,504,330 | 9,755,200 | +28.1 |
| NEWSPRINT— | | | | | |
| Production, tons (Aug.) | 293,054 | 316,607 | 2,207,671 | 2,291,283 | —3.7 |
| ▪Exports (Aug.) $ | 13,180,000 | 14,341,000 | 99,290,357 | 95,641,845 | +3.8 |
| MINING AND OILS— | | | | | |
| Coal prod., tons (July) | 1,186,694 | 1,253,247 | 9,646,043 | 9,517,695 | +1.3 |
| Coal import, tons (July) | 2,634,211 | 2,550,790 | 8,667,694 | 9,277,921 | —6.5 |
| Gold rec., fine oz. (Aug.) | 430,878 | 444,033 | 3,423,941 | 3,290,803 | +4.0 |
| Crude oil, imp. gals† (June) | 183,271 | 158,725 | 643,834 | 552,069 | +16.6 |
| ELECTRIC POWER OUTPUT—(July)— | | | | | |
| Total monthly, 1,000 kw.h.'s | 2,661,145 | 2,615,232 | 18,393,530 | 17,583,735 | +4.6 |
| FOREIGN TRADE—♦ | | | | | |
| Imports (July) | 127,707,345 | 89,496,233 | 772,991,759 | 585,597,018 | +32.0 |
| Exports (July) | 170,900,855 | 101,463,170 | 891,214,162 | 655,174,199 | +36.0 |
| OTHER INDUSTRIAL FACTORS— | | | | | |
| ▪Dressed lumber exp.: 1,000 bd. ft. (Aug.) | 261,132 | 281,529 | 1,435,686 | 1,511,451 | —5.0 |
| Shoes, prod., pr. (July) | 2,883,741 | 1,861,028 | 17,840,663 | 14,586,969 | +22.3 |
| ▪Cotton consump., lb. (Aug.) | 14,595,435 | 16,200,326 | 130,124,004 | 127,212,049 | +2.2 |
| Raw rubber imp. lb. (June) | 6,312,139 | 2,381,871 | 55,749,702 | 41,033,486 | +35.8 |
| ▪Cigarette cons., No.† (Aug.) | 816,691 | 620,889 | 5,397,536 | 4,967,781 | +8.7 |
| Sugar manufactured lb.§ | 91,531,291 | 65,603,276 | 567,261,274 | 549,006,346 | +3.3 |
| FINANCE— | | | | | |
| Bank debits† (July) $ | 3,241,707 | 2,622,547 | 22,051,806 | 19,624,238 | +12.4 |
| ▪Bond sales† (Aug.) $ | 83,061 | 83,675 | 1,468,229 | 1,341,827 | +9.4 |
| ▪Life insurance sales (Aug.) $ | 29,597,000 | 24,698,000 | 261,044,000 | 241,225,000 | +8.2 |

*D.B.S. All Canada figure covering over 90% of the Canadian total. ‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. ▵Total at yards and plants. New items for week marked ▪ †000's omitted. §For four weeks to Aug. 9 ♦Gold excluded. •Millions of dollars. *Preliminary.

# Canadian Business Moves Still Higher in August




Further progress was recorded by Canadian business in August. The Financial Post Business Index for the month, based on preliminary figures, rose to 160.1, a gain of 12% over last year and slightly above the previous high record established in July.

Factors contributing to the increase over the previous month were higher bank deposits, lumber exports, cigarette consumption and carloadings.

Gold receipts at the mint showed a contra-seasonal decline while the amount of cotton consumed by the textile industry was smaller.

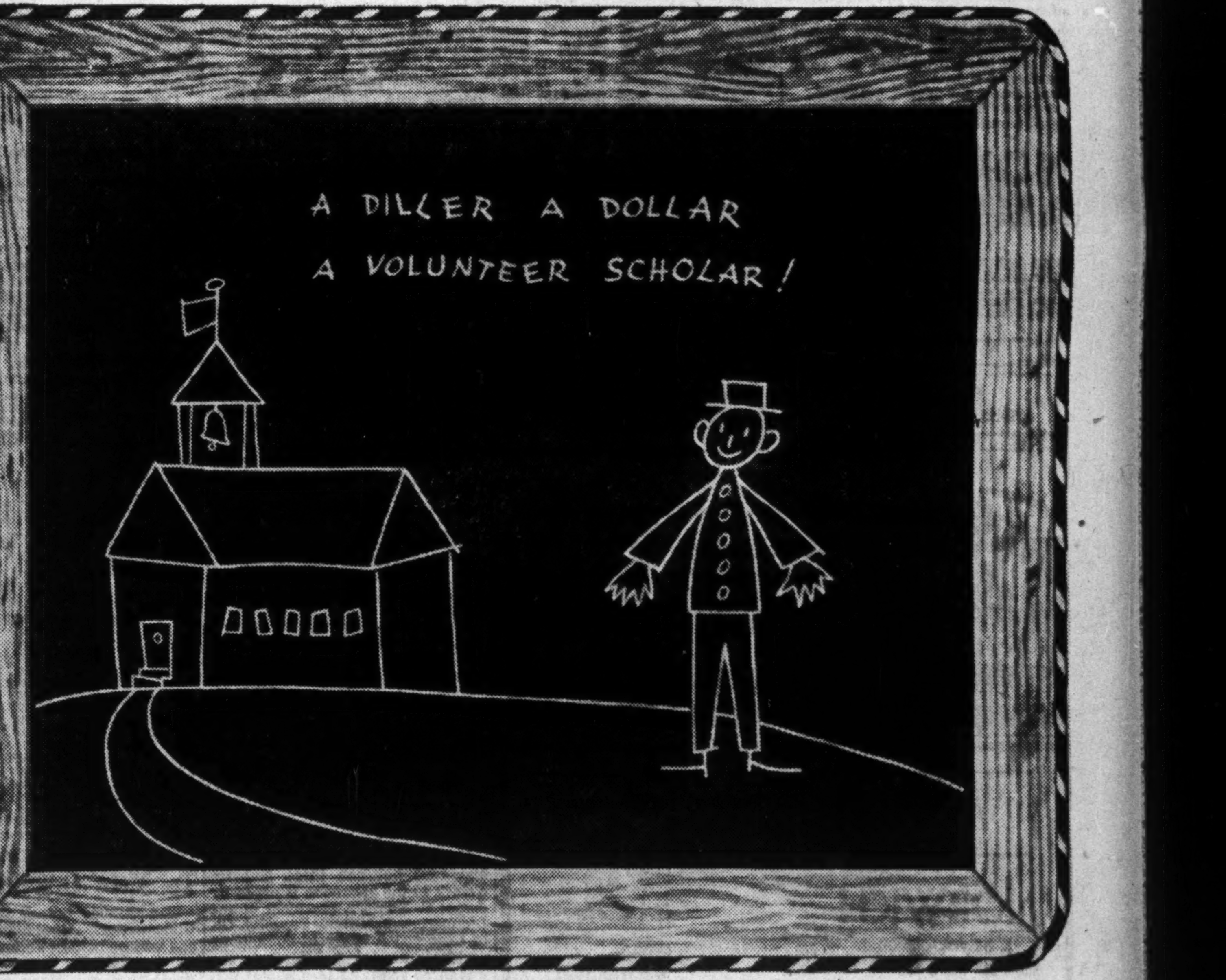
**Major Economic Factors**

| | | August 1941 | August 1940 | Percentage Incr. or Decr. 1941-1940 | July, 1941 |
|---|---|---|---|---|---|
| The Financial Post business index* | | 160.1 | 142.9 | +12.0 | 158.9 |
| Bank deposits* | | 133.3 | 131.4 | +1.4 | 129.0 |
| Gold receipts at mint | fine oz. | 430,878 | 444,033 | —3.0 | 453,184 |
| Silver shipments | fine oz. | 2,138,111 | 2,392,762 | —10.6 | 1,926,162 |
| Sugar manufactured | lb. | 91,531,291 | 65,603,276 | +39.5 | 109,736,695 |
| Cheese, factory production | lb. | 23,628,354 | 24,000,808 | —1.6 | 25,221,201 |
| Butter, creamery production | lb. | 35,354,189 | 33,775,562 | +4.7 | 39,157,290 |
| Newsprint production | tons | 293,054 | 316,607 | —7.4 | 293,483 |
| Planks and boards exported | M. ft. | 261,132 | 281,529 | —7.2 | 223,186 |
| Shingles exported | squares | 309,893 | 307,728 | +0.7 | 345,064 |
| Woodpulp exported | cwt. | 2,531,568 | 1,968,615 | +28.6 | 2,637,470 |
| Cotton consumption | lb. | 14,595,435 | 16,200,326 | —9.9 | 16,907,649 |
| Hog slaughterings | no. | 367,270 | 367,211 | +0.02 | 374,159 |
| Cigars released | no. | 14,914,441 | 14,284,898 | +4.4 | 15,609,738 |
| Cigarettes released | no. | 816,691,352 | 620,888,893 | +31.5 | 772,165,478 |
| Automobile production | no. | 17,192 | 13,993 | +22.9 | 24,654 |
| Carloadings | no. | 278,646 | 255,953 | +8.9 | 276,829 |

*1926 equals 100.

PROVINCE OF QUEBEC
3½% SINKING FUND DEBENTURES
To mature October 1st, 1953
Price: 97.50 and accrued interest yielding over 3.75%
An Official prospectus will be mailed upon request.
A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria London, Eng

St. Maurice Power Corporation
Second Mortgage 5% Sinking Fund Bonds
Dated August 1, 1941 Due August 1, 1956
Denominations: $1,000 and $500
Price: 100 and accrued interest, to yield 5%
A descriptive circular will be mailed upon request.
McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Offices at Toronto, Montreal, Ottawa, Hamilton, London.
Correspondents in New York and London, England.




HELPING A MAN BUY the kind and amount of life insurance protection he should have, and serving him properly after the sale, is a highly specialized responsibility.

It requires on the part of the agent an understanding of people and their problems. It requires an appreciation of each individual's present and prospective needs and circumstances.

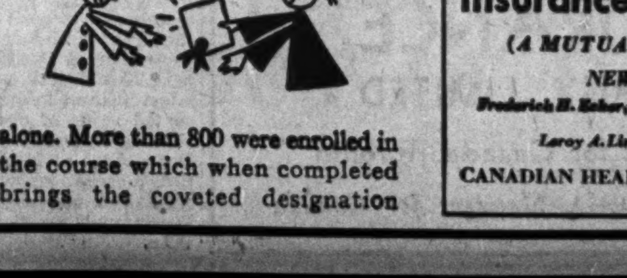
Today, the needs of millions of policyholders guide the training of every agent. Because this training is in great demand among agents, Metropolitan, for instance, has established training courses to give the agent the benefit of the knowledge the company has accumulated through years of experience and research.

These training courses are conducted by experienced fieldmen in the District Office with which an agent is associated. When a man first joins the Metropolitan as an agent he is given a course in insurance fundamentals, supplemented by two to four weeks personal instruction by the assistant manager in his District Office to help him get acquainted with his duties. After this, continuous training by the District Office management is supplemented by instruction conferences and courses conducted by a special corps of experienced fieldmen who work as instructors in the Metropolitan's Field Training Division. Last year approximately 190 full-time instructors were engaged in this Division in carrying on Metropolitan's educational program in Canada and the United States.

Most fieldmen have completed the Company's Correspondence Courses; 1255 were actively enrolled in 1940 alone. More than 800 were enrolled in the course which when completed brings the coveted designation "Chartered Life Underwriter". In addition, Metropolitan constantly issues instructive material for the benefit of all its agents.

An agent's training is never finished. Thousands of agents are striving, year in, year out, to improve their efficiency and ability and increase the value of the services they render you.

It is a fair statement that life insurance agents today are better equipped than ever before to advise with you on all problems connected with your life insurance program.



This is Number 41 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.
Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE, OTTAWA

JOHNS-MANVILLE Building Materials
FOR INDUSTRY
Speed the work of plant expansion with • J-M Built-Up Asbestos and Asphalt Roofs • J-M Roll Roofings • J-M Insulating Board • J-M Asphalt Tile Flooring • J-M Rock Wool Insulation • J-M Asbestos Wall Boards • J-M Acoustical Service and Materials.
FOR THE HOME
Modern materials that protect against fire, weather and wear. J-M Cedargrain Asbestos Siding Shingles • J-M Asbestos and Asphalt Roofing Shingles • J-M Rock Wool Home Insulation • J-M Asbestos Flexboard and Wainscoting • J-M Decorative Insulating Board products.
Canadian JOHNS-MANVILLE CO., Limited
Mine and Factory - Asbestos, P.Q.
TORONTO MONTREAL WINNIPEG VANCOUVER

Investment Supervision
Market records tell a revealing story of the need for constant supervision of investments. Some investments, generally considered "gilt-edged" only a few years ago, now have little or no market value. Others, which had little apparent value, have since shown themselves sound investments. This change speaks loudly for the need of continuous care and supervision by a well-organized and experienced executor to safeguard the investments of your estate.
Write for free booklet "Security for your Family"
NATIONAL TRUST
COMPANY, LIMITED
TORONTO MONTREAL HAMILTON
WINNIPEG EDMONTON

# Two Experts Survey Prairie Situation

## See Purchasing Power Down — Costs Moving Up

Prairie farmers will have much money to spend on eastern made goods this winter and next spring, well-known western observers, Major H. G. L. Strange, Research Director, Searle Grain Co. and R. D. Colquette, Editor of the Country Guide, inform The Financial Post. Labor and other costs are mounting, these experts point out, while the major source of farm income—wheat—has produced a crop very much below a year ago. To some extent new income from mixed farming, chiefly hogs, has offset the drop in the wheat revenue.

### See Sharp Drop

Shrinkage in farm income as compared with last season will be particularly apparent during the first half of 1942 as the light current wheat crop should then be largely marketed. A year ago due to rigid delivery quotas and bonuses for farm storage, as much crop was marketed after the New Year as before it.

Looking ahead to the 1942 crop, a serious shortage of labor, it is stated, may affect farm production. Already some labor has moved from the west to eastern war factories and after the present harvest is cleaned up a greater exodus is expected.

### Incomes Compared

Gross farm income for the three prairie provinces this crop year (Aug. 1 to Aug. 1) is estimated by Major Strange at almost $340 millions compared with $382 a year ago and a top of $611.8 in the banner year of 1928. The figure for the current year includes almost $50 millions of special Dominion government assistance for reduction of wheat acreage, etc. Offsetting this difference to a slight extent is the fact that living costs Major Strange estimates, are about 10% less today than in 1928 although up from 1941.

But this, says Major Strange, tells only part of the story. From net income must be subtracted a sum sufficient to maintain a minimum standard of living and to continue farm production.

### Real Spending Power

"Now the difference," he states, "between these bare living and production costs and the total net real income, represents the sums the farmers had on hand each year, to pay for such things as debts, mortgages, life insurance, medical care, schooling (other than the country grade schools mainly up to the 8th grade only), recreation, holidays etc., none of which items is included in the costs of bare living and production included in the Searle Index from which my calculations are based.

"If these sums required for the bare cost of living and production — to keep farmers operating at all—are deducted from the 'real' income, we find that in 1928 the farmers had left, the sum of approximately $292 millions to pay for things other than the bare cost of living and production.

"In 1929 the sum left over for these purposes was approximately $160 millions; in 1940 it was $150 millions and in 1941 after the government grants are included, the amount will be approximately $85 millions or a reduction of $65 millions from last year, and of about $200 millions from the 1928 figure. This situation of having so little left over with which to pay debts etc., explains the present extreme difficulties of our western farmers."

Despite these difficulties, however, Major Strange reports no complaints about sacrifices in a recent tour of western Canada. "During the whole of my journeyings I did not hear one single complaint from the farmers about the sacrifices they are enduring and the hardships they have to face, 'for,' they say, 'this is wartime and each must make whatever sacrifices are required in order to win the war.'

"I did, however, hear a good deal of wondering why the government is willing to permit industrial labor in munition plants and other places, to strike for higher pay, to enjoy such high wages, to be taxed so little, and to receive in addition cost of living bonuses, which are often greater than the entire national defense tax industrial workers are asked to pay.

"Why," many farmers ask, "are farmers asked to make such great sacrifices, when industrial workers appear to be better off than ever they were before the war?"

While Editor Colquette expects revenue from mixed farming to continue to increase, he reports a big drop in wheat "it looks as if the crop will barely reach 300 million bushels," he says. "What has happened has been that the weather has completed the work which the government started. The government set out to reduce wheat acreage by one third. The actual reduction was about one quarter. The reduction in yields, particularly in Saskatchewan and eastern Alberta has brought the total yield down to a point somewhere around what will be required for this crop year's market."

### Labor Short

"This harvest there has been a rather acute labor shortage," says Mr. Colquette. "One result was a strong demand for combines, with the result that there was some rationing of combines between the provinces by the companies. The labor situation, actual and looming, has made it necessary for farmers to make heavy purchases of machinery and this tendency has also been accentuated by the depreciated condition of farm equipment. The labor situation is caused partly by enlistments and partly by a drainage of labor to the industrial areas of central Canada.

"There is no surplus labor in this western country at the moment, in fact there is a severe shortage and old men, women and children are working in the fields to help out. As soon as harvesting and threshing is over, however, there will be a lot of free labor and what I am afraid of is that this will drain away in the slack season and leave us in a bad mess next year when we need it again."

# Manitoba Beet Sugar Season Again Opens

From Our Own Correspondent

WINNIPEG.—Plant of the Manitoba beet sugar factory is now being groomed in readiness for the opening of its second season, Oct. 1, according to Thomas Heath, managing director of the Manitoba Sugar Co.

As a result of its first year's operations the company has expended during the past summer more than $60,000 in capital improvements to improve facilities for receiving the beets from growers. These improvements include the erection of receiving stations at Letellier, Arnaud and Portage la Prairie in addition to the 13 stations with mechanical receiving equipment which operated last year. Various improvements have also been made about the factory and at the receiving and storage yards at the plant.

Farmers will commence harvesting sugar beets Sept. 25 and it is anticipated the harvest will be substantially greater than last year. Tests made at the plant indicate the sugar content as satisfactory, says Lloyd Scott, superintendent of the company's agricultural department.

Upwards of 2,000 men will be engaged in the sugar beet harvesting operations, while with the opening of the plant at the beginning of October more than 300 men will be engaged at the plant and at receiving stations located in beet growing areas.

Mr. Heath says first year operations were entirely successful and by the time the new crop is harvested, last year's sugar production will have been sold and plans are under way for adding new lines of sugar products which will be manufactured at the plant.

Current assets include cash on hand and in banks $874, accounts receivable $17,459; inventories as determined and certified by the management and valued at cost, $694,380.

Current liabilities are made up of bank loan and overdraft (secured) $420,213; accounts payable and accruals $113,731 and provision for income tax and excess profits tax $15,000. Total assets are given as $2.7 millions. Included in liabilities is an issue of 5% first mortgage sinking fund debentures, due July 1, 1960, secured by first mortgage and floating charge, guaranteed by the province of Manitoba, $600,000. There is also an issue of 15,000 6% preferred shares and an authorized issue of 35,000 common shares of which 34,000 are outstanding.

**Profit and Loss Account**
Period from Jan. 1, 1940 to Mar. 31, 1941

| | $ |
|---|---|
| Gross profit | 173,985 |
| Less: Depreciation | 60,005 |
| Executive salaries | 15,337 |
| Debenture interest | 10,387 |
| Debenture discount | 2,063 |
| Bank interest | 12,263 |
| Legal charges | 330 |
| Net profit and surplus | 58,600 |

**Working Capital**

| | $ |
|---|---|
| Current assets | 712,714 |
| Current liabilities | 548,944 |
| Working capital | 163,770 |

# The Week in Business

**Current business** shows gains over previous week and last year. D.B.S. index of business activity for week ended Sept. 13 slightly above previous year and 11% above last year.

**Railway carloadings** for week ended Sept. 13 higher than year ago. Total for year to date up 15%.

**Railway traffic earnings** in second week of September above 1940 level for both roads. Cumulatives for year to Sept. 14 up 23% for C.N.R. and 30% for C.P.R.

**Automobile production** shows increase in trucks in August with passenger car output lower. Total passenger car production for eight months down 6%; total trucks almost double 1940 figure.

**Automobile financing** shows increase in August for both new and used cars. For first eight months of 1941 up 20% for new and 30% for used cars.

**Newsprint exports** in August slightly under 1940 figures, but up 4% for year to August 31.

**Life insurance sales** 20% higher in August than year ago. Cumulative for eight months about 8% higher.

**Dressed lumber** exports slightly lower for August and eight months.

**Cotton consumption** lower in August; up 2% for first eight months of 1941.

**Cigarette consumption** shows increase over 1940 for both August and year to Aug. 31.

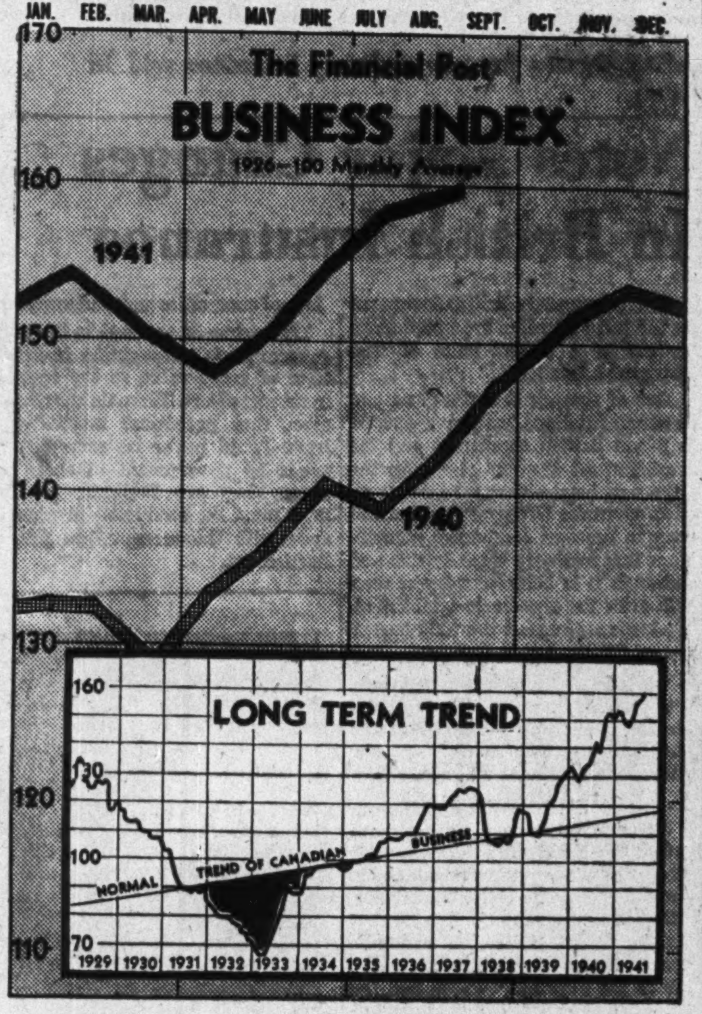
**Bond sales** down slightly in August but 9% higher for eight months.

**Trend of business** shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪.

| TREND OF BUSINESS— | Sept. 13 | Sept. 6 | Aug. 30 | Aug. 23 | Sept. 14/40 |
|---|---|---|---|---|---|
| Weekly index of business, D.B.S. | 116.5 | 114.9 | 114.9 | 114.8 | 104.5 |
| Commodity prices index no. | 92.4 | 92.1 | 91.9 | 91.8 | 83.0 |
| | Aug. | July | June | May | Year Ago |
| ▪The Financial Post business index | °160.1 | 158.9 | 155.1 | 150.3 | 142.9 |
| National Income, D.B.S.• | .... | 447.5 | 436.1 | 439.6 | 420.6 |
| Retail sales index no. | .... | 135.0 | 134.3 | 134.5 | 114.5 |
| Dept. store sales index no. | .... | 132.5 | 123.1 | 129.2 | 114.6 |
| Wholesale sales index no. | .... | 147.0 | 140.6 | 148.6 | 112.8 |
| Country store (% change pr. yr.) | .... | +13.2 | +5.2 | +8.6 | +6.2 |
| COST OF LIVING— | | | | | |
| D.B.S. index | 113.7 | 111.9 | 110.5 | 109.4 | 105.9 |
| Family weekly budget | .... | .... | $18.50 | $18.30 | $17.72 |
| EMPLOYMENT INDEX Nos., D.B.S. | July 1 | June 1 | May 1 | Apr. 1 | Year Ago |
| ▪All industries | 157.6 | 152.9 | 145.5 | 141.3 | 124.7 |
| ▪Manufacturing | 172.9 | 168.0 | 162.3 | 158.2 | 130.3 |
| | | | Jan. 1 to date | | % |
| RAILWAYS— | 1941 | 1940 | 1941 | 1940 | Change |
| ▪Carloadings (week Sept. 13) | 70,421 | 61,779 | 2,196,568 | 1,920,581 | +14.3 |
| ▪C.N.R. gross (week Sept. 14) $ | 6,463,901 | 4,888,627 | 205,490,961 | 166,881,500 | +23.1 |
| ▪C.P.R. gross (week Sept. 14) $ | 4,398,000 | 3,485,000 | 147,853,000 | 113,217,000 | +30.6 |
| ▪C.N.R. net revenue (Aug.) $ | 5,171,732 | 3,668,181 | 42,196,254 | 24,040,849 | +75.5 |
| C.P.R. net revenue (July) $ | 3,195,419 | 2,404,830 | 23,115,113 | 15,040,837 | +53.8 |
| IRON AND STEEL—(July)— | | | | | |
| Pig iron production (tons) | 102,005 | 95,924 | 726,556 | 645,551 | +12.7 |
| Steel ingots and castings prod (tons) | 197,316 | 169,583 | 1,345,751 | 1,127,823 | +19.3 |
| AUTOMOBILES—(Number)— | | | | | |
| Passenger Cars: | | | | | |
| Domestic sales* .. (July) | 6,306 | 4,542 | 64,393 | 74,244 | —13.3 |
| ▪Factory output .. (Aug.) | 3,160 | 1,510 | 72,208 | 77,086 | —6.3 |
| Trucks and Buses: | | | | | |
| Domestic sales* .. (July) | 3,005 | 2,276 | 23,771 | 19,173 | +24.0 |
| ▪Factory output .. (Aug.) | 14,032 | 12,483 | 122,509 | 62,321 | +96.6 |
| Financing: | | | | | |
| ▪Used (Aug.) $ | 4,172,626 | 3,740,564 | 38,458,062 | 29,606,637 | +29.9 |
| ▪New (Aug.) $ | 2,447,964 | 1,973,436 | 28,615,207 | 23,886,974 | +19.8 |
| CONSTRUCTION— | | | | | |
| Contracts awarded (Aug.) $ | 36,123,900 | 40,747,900 | 283,545,300 | 195,489,000 | +45.0 |
| ▪Cement prod., bbls. (June) | 959,000 | 929,000 | 3,351,746 | 2,727,862 | +22.8 |
| AGRICULTURE— | | | | | |
| Flour prod., bbls. (July) | 2,116,896 | 1,222,975 | 12,133,395 | 8,790,547 | +38.0 |
| Flour exp., bbls. (Aug.) | 1,436,566 | 575,756 | 8,820,361 | 4,641,626 | +90.0 |
| Wheat exp., bush. (Aug.) | 14,720,958 | 11,401,161 | 133,088,617 | 90,970,959 | +46.3 |
| Cattle sales▴ (Aug.) | 110,413 | 116,817 | 695,702 | 673,011 | +3.3 |
| Hog sales▴ (Aug.) | 351,396 | 327,997 | 3,797,613 | 3,023,633 | +25.6 |
| SEA FISHERIES—‡ | | | | | |
| Catch cwts. % (July) | 1,630,000 | 1,326,200 | 5,275,800 | 6,155,700 | —14.2 |
| Landed value (July) $ | 4,960,000 | 3,439,000 | 12,504,330 | 9,755,200 | +28.1 |
| NEWSPRINT— | | | | | |
| Production, tons (Aug.) | 293,054 | 316,607 | 2,207,671 | 2,291,283 | —3.7 |
| ▪Exports (Aug.) $ | 13,180,000 | 14,341,000 | 99,290,357 | 95,641,845 | +3.8 |
| MINING AND OILS— | | | | | |
| Coal prod., tons (July) | 1,186,694 | 1,253,247 | 9,646,043 | 9,517,695 | +1.3 |
| Coal import, tons (July) | 2,634,211 | 2,550,790 | 8,667,694 | 9,277,921 | —6.5 |
| Gold rec., fine oz. (Aug.) | 430,878 | 444,033 | 3,423,941 | 3,290,803 | +4.0 |
| Crude oil, imp gals† (June) | 183,271 | 158,725 | 643,834 | 552,069 | +16.6 |
| ELECTRIC POWER OUTPUT—(July)— | | | | | |
| Total monthly, 1,000 kw.h.'s | 2,661,145 | 2,615,232 | 18,393,530 | 17,583,735 | +4.6 |
| FOREIGN TRADE—♦ | | | | | |
| Imports (July) | 127,707,345 | 89,496,233 | 772,991,759 | 585,597,018 | +32.0 |
| Exports (July) | 170,900,855 | 101,463,170 | 891,214,162 | 655,174,199 | +36.0 |
| OTHER INDUSTRIAL FACTORS— | | | | | |
| ▪Dressed lumber exp.: 1,000 bd. ft. (Aug.) | 261,132 | 281,529 | 1,435,686 | 1,511,451 | —5.0 |
| Shoes, prod., pr. (July) | 2,883,741 | 1,861,028 | 17,840,663 | 14,586,969 | +22.3 |
| ▪Cotton consump., lb. (Aug.) | 14,595,435 | 16,200,326 | 130,124,004 | 127,212,049 | +2.2 |
| Raw rubber imp. lb. (June) | 6,312,139 | 2,381,871 | 55,749,702 | 41,033,486 | +35.8 |
| ▪Cigarette cons., No.† (Aug.) | 816,691 | 620,889 | 5,397,536 | 4,967,781 | +8.7 |
| Sugar manufactured lb.§ | 91,531,291 | 65,603,276 | 567,261,274 | 549,006,346 | +3.3 |
| FINANCE— | | | | | |
| Bank debits† (July) $ | 3,241,707 | 2,622,547 | 22,051,806 | 19,624,238 | +12.4 |
| ▪Bond sales† (Aug.) $ | 83,061 | 83,675 | 1,468,229 | 1,341,827 | +9.4 |
| ▪Life insurance sales (Aug.) $ | 29,597,000 | 24,698,000 | 261,044,000 | 241,225,000 | +8.2 |

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants. New items for week marked ▪
†000's omitted. §For four weeks to Aug. 9 ♦Gold excluded.
•Millions of dollars. °Preliminary.

# Canadian Business Moves Still Higher in August




Further progress was recorded by Canadian business in August. The Financial Post Business Index for the month, based on preliminary figures, rose to 160.1, a gain of 12% over last year and slightly above the previous high record established in July.

Factors contributing to the increase over the previous month were higher bank deposits, lumber exports, cigarette consumption and carloadings.

Gold receipts at the mint showed a contra-seasonal decline while the amount of cotton consumed by the textile industry was smaller.

**Major Economic Factors**

| | | August 1941 | August 1940 | Percentage Incr. or Decr. 1941-1940 | July, 1941 |
|---|---|---|---|---|---|
| The Financial Post business index* | | 160.1 | 142.9 | +12.0 | 158.9 |
| Bank deposits* | | 133.3 | 131.4 | +1.4 | 129.0 |
| Gold receipts at mint | fine oz. | 430,878 | 444,033 | —3.0 | 453,184 |
| Silver shipments | fine oz. | 2,138,111 | 2,392,762 | —10.6 | 1,926,162 |
| Sugar manufactured | lb. | 91,531,291 | 65,603,276 | +39.5 | 109,736,695 |
| Cheese, factory production | lb. | 23,628,354 | 24,000,808 | —1.6 | 25,221,201 |
| Butter, creamery production | lb. | 35,354,189 | 33,775,562 | +4.7 | 39,157,290 |
| Newsprint production | tons | 293,054 | 316,607 | —7.4 | 293,483 |
| Planks and boards exported | M. ft. | 261,132 | 281,529 | —7.2 | 223,186 |
| Shingles exported | squares | 309,893 | 307,728 | +0.7 | 345,064 |
| Woodpulp exported | cwt. | 2,531,568 | 1,968,615 | +28.6 | 2,637,470 |
| Cotton consumption | lb. | 14,595,435 | 16,200,326 | —9.9 | 16,907,649 |
| Hog slaughterings | no. | 367,270 | 367,211 | +0.02 | 374,159 |
| Cigars released | no. | 14,914,441 | 14,284,898 | +4.4 | 15,609,738 |
| Cigarettes released | no. | 816,691,352 | 620,888,893 | +31.5 | 772,165,478 |
| Automobile production | no. | 17,192 | 13,993 | +22.9 | 24,654 |
| Carloadings | no. | 278,646 | 255,953 | +8.9 | 276,829 |

*1926 equals 100.


**PROVINCE OF QUEBEC**
**3½% SINKING FUND DEBENTURES**

To mature October 1st, 1953

Price: 97.50 and accrued interest yielding over 3.75%

*An Official prospectus will be mailed upon request.*

**A. E. AMES & CO.**
LIMITED
Business Established 1889
TORONTO

Montreal Winnipeg Vancouver Victoria London, Eng



**St. Maurice Power Corporation**

**Second Mortgage 5% Sinking Fund Bonds**

Dated August 1, 1941 Due August 1, 1956

Denominations: $1,000 and $500

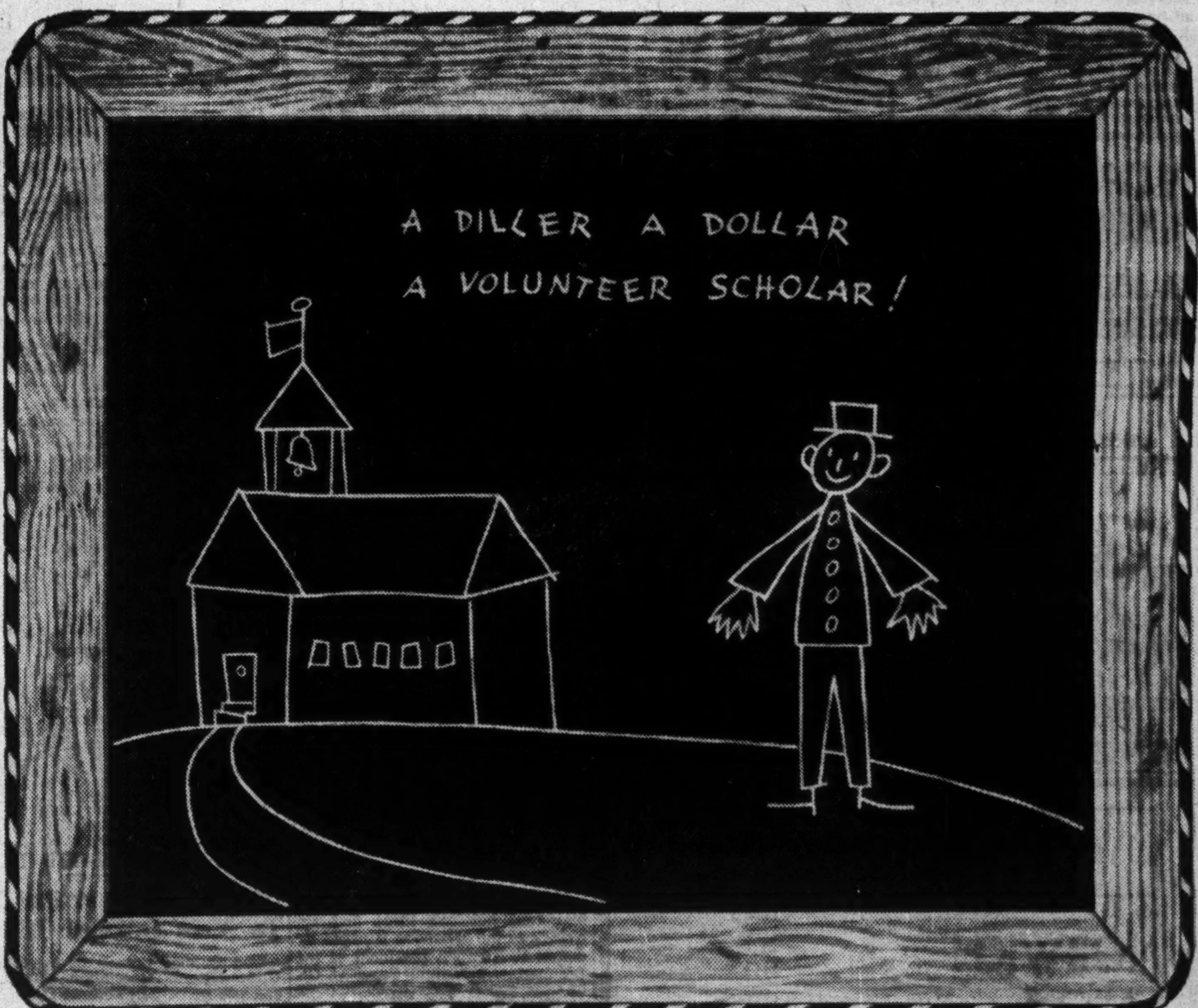
Price: 100 and accrued interest, to yield 5%

*A descriptive circular will be mailed upon request.*

**McLEOD, YOUNG, WEIR & CO.**
LIMITED
Metropolitan Building, Toronto

*Offices at Toronto, Montreal, Ottawa, Hamilton, London. Correspondents in New York and London, England.*






HELPING A MAN BUY the kind and amount of life insurance protection he should have, and serving him properly after the sale, is a highly specialized responsibility.

It requires on the part of the agent an understanding of people and their problems. It requires an appreciation of each individual's present and prospective needs and circumstances.

Today, the needs of millions of policyholders guide the training of every agent. Because this training is in great demand among agents, Metropolitan, for instance, has established training courses to give the agent the benefit of the knowledge the company has accumulated through years of experience and research.

These training courses are conducted by experienced fieldmen in the District Office with which an agent is associated. When a man first joins the Metropolitan as an agent he is given a course in insurance fundamentals, supplemented by two to four weeks personal instruction by the assistant manager in his District Office to help him get acquainted with his duties. After this, continuous training by the District Office management is supplemented by instruction conferences and courses conducted by a special corps of experienced fieldmen who work as instructors in the Metropolitan's Field Training Division. Last year approximately 190 full-time instructors were engaged in this Division in carrying on Metropolitan's educational program in Canada and the United States.

Most fieldmen have completed the Company's Correspondence Courses; 1255 were actively enrolled in 1940

alone. More than 800 were enrolled in the course which when completed brings the coveted designation "Chartered Life Underwriter". In addition, Metropolitan constantly issues instructive material for the benefit of all its agents.

An agent's training is never finished. Thousands of agents are striving, year in, year out, to improve their efficiency and ability and increase the value of the services they render you.

It is a fair statement that life insurance agents today are better equipped than ever before to advise with you on all problems connected with your life insurance program.

*This is Number 41 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.*

**Metropolitan Life Insurance Company**
*(A MUTUAL COMPANY)*
*NEW YORK*
Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE, OTTAWA



# Investment
## Supervision

Market records tell a revealing story of the need for constant supervision of investments. Some investments, generally considered "gilt-edged" only a few years ago, now have little or no market value. Others, which had little apparent value, have since shown themselves sound investments. This change speaks loudly for the need of continuous care and supervision by a well-organized and experienced executor to safeguard the investments of your estate.

Write for free booklet
*"Security for your Family"*

NATIONAL TRUST
COMPANY, LIMITED
TORONTO MONTREAL HAMILTON
WINNIPEG EDMONTON



**JOHNS-MANVILLE**
*Building Materials*

**FOR INDUSTRY**

Speed the work of plant expansion with • J-M Built-Up Asbestos and Asphalt Roofs • J-M Roll Roofings • J-M Insulating Board • J-M Asphalt Tile Flooring • J-M Rock Wool Insulation • J-M Asbestos Wall Boards • J-M Acoustical Service and Materials.

**FOR THE HOME**

Modern materials that protect against fire, weather and wear. J-M Cedar-grain Asbestos Siding Shingles • J-M Asbestos and Asphalt Roofing Shingles • J-M Rock Wool Home Insulation • J-M Asbestos Flexboard and Wainscoting • J-M Decorative Insulating Board products.

JOHNS-MANVILLE JM PRODUCTS

Canadian JOHNS-MANVILLE CO., Limited
Mine and Factory - Asbestos, P.Q.
TORONTO MONTREAL WINNIPEG VANCOUVER

**Dominion Appraisal Company Limited**

For dependable Industrial and Real Estate valuations, select a company of unquestioned reputation.

We suggest the services of this organization.

Equipped to carry out work of any magnitude within a reasonable space of time.

Head Office
137 Wellington St. West
TORONTO ELgin 5928

The
**WAWANESA**
Mutual Insurance Company
Organized in 1896

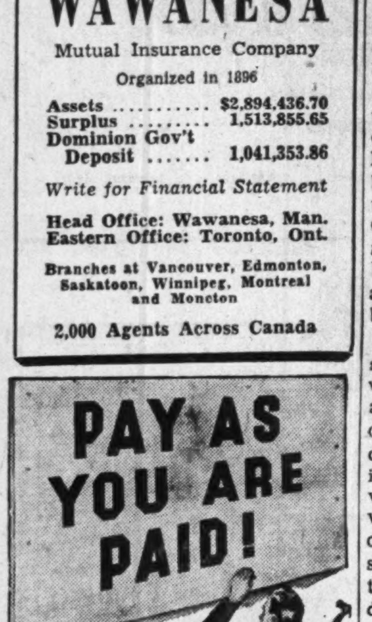
| | |
|---|---|
| Assets | $2,894,436.70 |
| Surplus | 1,513,855.65 |
| Dominion Gov't Deposit | 1,041,353.86 |

*Write for Financial Statement*

Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.

Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton

2,000 Agents Across Canada




**Buy life insurance NOW out of your weekly or monthly income**

● New demands upon income make it difficult for us all to save these days. We must pay our taxes. We want to buy war savings certificates and at the same time to protect our families.

As a service to the vast number of Canadians who receive their income weekly or monthly and budget their expenses in the same way, North American Life offers a special Budget Plan. It applies on any type of policy. Instead of paying a year's premium in advance, you pay only one month's premium. But you don't have the bother of monthly payments because this service includes the acceptance of twelve post-dated checks.

Send the coupon for free Budget Memo Booklet and folder telling how you can have protection for your family and a guaranteed income for your later years for as little as $5 monthly.

ESTABLISHED 1881 · A MUTUAL COMPANY

**NORTH AMERICAN LIFE**

HEAD OFFICE: 112 King St. W., Toronto, Ont.

Please send me information about your special Budget Policy, together with free Pocket Memo Budget Booklet.

Name————
Address———— 108B

*Head Office*
TORONTO, CANADA

Insurance

# May Seek Jurisdiction Over Medical Services

### Report of Committee at Insurance Superintendents Convention Indicates Consideration of Move — Financial Status Claimed Concern of Insurance Departments

Possibility that medical and hospital service associations in Canada may be brought under the control of the superintendents of insurance was indicated in a report presented at the convention of the provincial superintendents of insurance in Toronto last week.

This report stated the attention of the association committee, on accident and sickness insurance legislation, had been drawn to the matter by the increase in the number of these organizations, particularly in Ontario. The committee takes the ground that the business transacted by the medical and hospital service associations seems unquestionably to be a form of insurance.

In its report, it suggested that it should definitely be determined whether these associations are transacting the business of insurance or not. If they are, the report indicated, they would be subject to the insurance laws of the various provinces. But if their contracts involve the supplying only of medical or hospital services they would be subject only to whatever regulation the provincial departments of health deemed necessary.

The report continued:

"This matter has recently been under consideration in Ontario. It was felt that there were two points involved."

"First, the question of the financial solvency of the associations, and it appeared that the insurance department was the department equipped to supervise and inspect for this purpose."

"The second had to do with the supervision or regulation of the medical benefits or hospital services to be provided and it was felt that this was a matter for the attention of the Department of Health."

"The obvious conclusion from this approach indicates that an act providing for the supervision or regulation of medical and hospital service associations should provide for registry, inspection and general supervision by the Department of Insurance and should also include a provision requiring approval by the Department of Health of the medical, hospital and other similar benefits provided in the contracts of the association."

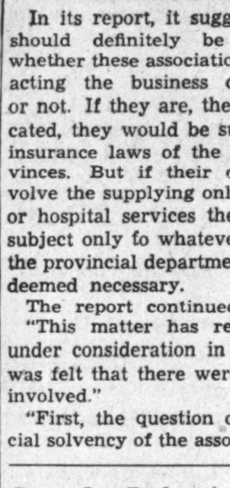
Until the resolutions of the conference are announced it will not be known whether the superintendents as a body favor the introduction of legislation bringing these organizations under their control or not. There appeared to be a feeling however that some such action might be taken.

The insurance superintendents association is the body by which legislation of this kind is often initiated.

A suggestion by the association that such a move was in the interests of the public would probably be followed by the introduction of the necessary legislation.

## Canada Life Appoints Toronto City Manager

R. J. Trenouth has been appointed manager of the Toronto City Branch of the Canada Life Assurance Co. succeeding T. W. F. Norton, who relinquishes the management, at his own request.



R. J. TRENOUTH

Mr. Norton, who organized the branch in 1917, will continue as a personal producer. The branch now has more than $100 millions insurance in force and more than 32,000 policyholders and annuitants.

Mr. Trenouth began his insurance career as the first whole-time representative in the branch in 1918 and four years later was appointed manager of the company's Windsor branch. In 1929 he was appointed Western Supervisor at the head office. In 1930 he became assistant superintendent, and in 1938 was appointed one of the superintendents of the company.

## Insurance Notes

***25 Years With Sun***

To mark the completion of his 25th year with the Sun Insurance Office, Robert Lynch Stailing, Canadian manager, was recently presented with a sterling silver cigar box. The presentation was made at the Canadian head office, Toronto, by F. E. Heyes, secretary, on behalf of the staff throughout Canada. Mr. Stailing had previously been honored by the staff in Quebec province at a luncheon in Montreal, at which Hon. F. Philippe Brais spoke.

Mr. Stailing began his insurance career with the London & Lancashire in 1910 after graduating from Mount Allison University. In March, 1916, he became office manager for Reed, Shaw and McNaught, but later the same year, became assistant manager of the Sun, becoming manager for Canada in 1930.

He was the last president of the old Canadian Fire Underwriters Association and first vice-president and chairman of the fire branch of the Canadian Underwriters Association which succeeded it. He is active in various other fire and casualty insurance organizations.

• • •

***Lower Interest Basis***

A general lowering of the interest basis on which life insurance premiums are computed in the United States was forecast by A. J. McAndless, president of the Lincoln National Life at the National Association of Life Underwriters at Cincinnati last week. He believed the insurance fraternity could look forward to a considerable number of companies changing over to a 2¼% to a 2½% reserve basis on participating insurance with non-participating companies going on a 3% basis.

Reason he gave was the general trend toward lower interest rates and the tendency for the U. S. government to invade fields generally dominated by private credit, such as the defense industries. His suggestions are thought by some to be rather premature. So far as Canada is concerned no prospect is seen of any action such as this in the immediate future at any rate, except possibly in the case of certain types of annuities.

• • •

Need of motorists exercising special care between three and six o'clock in the afternoon is urged by James S. Kemper, president of the Lumbermen's Mutual Casualty Co. of Chicago. A study of automobile accidents involving children in the last three years, he says, shows that 40% of such accidents occur in this period which is only 20% of the average children's day.

Other peak periods of danger for children are eight to nine a.m. when 8% of the accidents occur and the noon hour during which 17% of accidents to school children happen.

Principal causes of children's accidents he notes as follows:

| | |
|---|---|
| Running into path of automobile | 39.2% |
| Playing in the street | 16.7% |
| Riding on bicycles | 15.1% |
| All other | 29.0% |

## Insurance Problems

### Continental

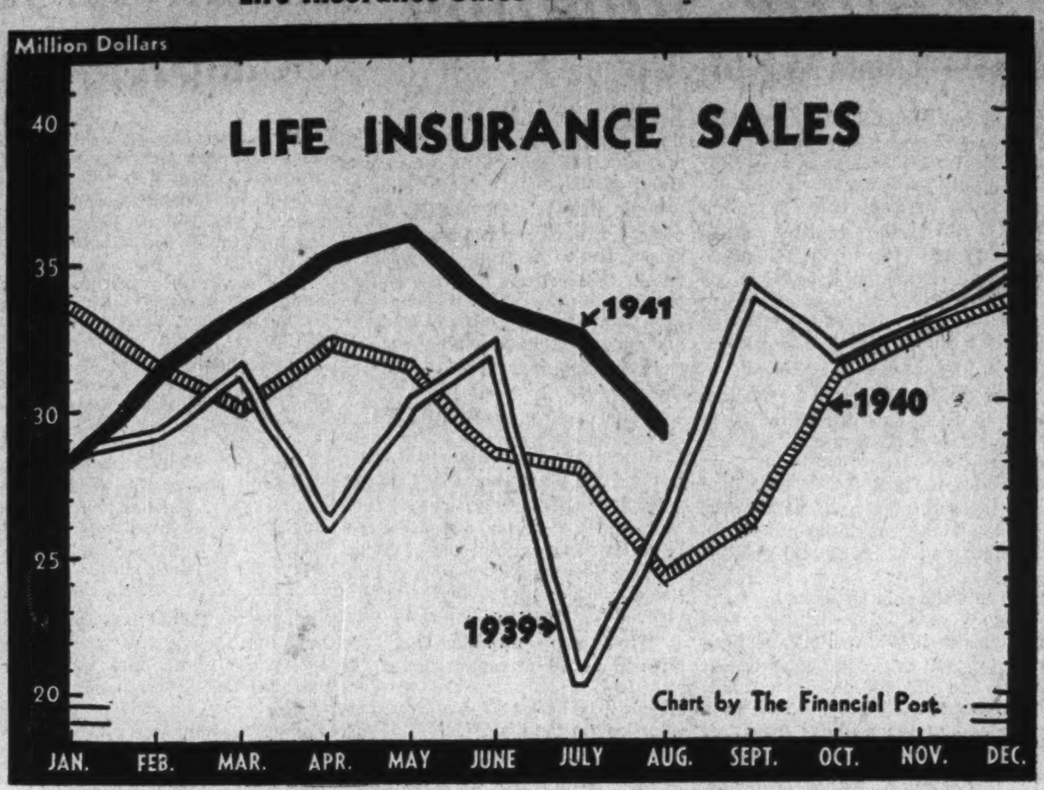
Would you please give me a report on the Continental Casualty Insurance Co. I have received a circular telling me about its accident and sickness insurance policy. Is it a safe company to do business with?

—

The Continental Casualty Insurance Co. has its head office at Chicago. The Canadian head office is at Toronto The company was founded in 1897 and was granted a Dominion license in 1917. It is licensed to write accident, automobile, burglary, plate glass and sickness insurance. In 1940 it wrote over $789,000 premiums in Canada. It maintains a deposit in Canada with the Receiver-General for the sole protection of Canadian policyholders. This deposit according to the latest figures to hand had an accepted value of over $637,000.

Being licensed by the Dominion Department of Insurance, the company's operations are subject to the regulation and supervision of the Dominion superintendent of insurance.

## Life Insurance Sales Climb Despite War




**In each of the first two years of the last war, new life insurance sold in Canada decreased slightly. After that it increased steadily until in 1919 it was more than double the new business of 1913.**

**Following the same pattern, total sales in 1939, the first year of the present war, were lower than in 1938 and the total for 1940 was lower than for 1939.**

**The chart shows how in March, 1941, the trend turned upward and sales have been holding above the 1940 level ever since. It also shows how in September, 1939, the seasonal upward tendency was accentuated by a rush to buy life insurance before the war clauses were inserted in new policies.**

**The chart is based on figures for new ordinary insurance sold in Canada and Newfoundland.**

## 20% Increase In Life Sales

Canadians are buying more life insurance than for some years past. Sales of ordinary insurance in Canada and Newfoundland were $29.5 millions, the highest for that month in any year since 1933 when sales amounted to $29.6 millions. The gain over last year was 19.8%.

All Canadian provinces showed an increase over a year ago except Prince Edward Island where sales were 3.4% lower. The largest increase was 52.6% in Saskatchewan, Ontario sales were 25.4% higher with Quebec up 11.8%. Sales in Newfoundland for the month were 20.5% lower.

Compared with July a decline of over $3 millions or about 9% is shown.

The figures are supplied by the Life Insurance Sales Research Bureau and are for new, settled for, ordinary insurance, exclusive of increases, revivals, dividend additions, reinsurance acquired, annuities, group insurance, etc. The data is based on the experience of 18 companies representing 85% of the new ordinary life insurance in Canada and Newfoundland.

Total sales for the first eight months of 1941 at $261 millions were 8% higher than in 1940.

Comparative figures follow.

**Life Insurance Sales in Canada and Newfoundland**

| | —000's of $— August— 1941 | 1940 | Change % |
|---|---|---|---|
| Alberta | 1,287 | 1,029 | +15.3 |
| Brit. Columbia | 2,068 | 1,763 | +19.5 |
| Manitoba | 1,790 | 1,381 | +29.5 |
| New Brunswick | 880 | 774 | +13.6 |
| Nova Scotia | 1,372 | 1,188 | +16.3 |
| Ontario | 12,518 | 9,980 | +25.4 |
| Prince Ed. Island | 225 | 233 | —3.4 |
| Quebec | 7,790 | 6,969 | +11.8 |
| Saskatchewan | 1,205 | 796 | +52.6 |
| Newfoundland | 462 | 585 | —20.5 |
| | 29,597 | 24,698 | +19.8 |

**Sales by Months, 1938-1941**
(000's of $)

| | 1938 | 1939 | 1940 | 1941 |
|---|---|---|---|---|
| Jan. | 31.387 | 28,767 | 33,726 | 28,326 |
| Feb. | 31,796 | 29,202 | 31,820 | 31,500 |
| Mar. | 33,461 | 31,710 | 30,265 | 33,700 |
| Apr. | 30,612 | 26,357 | 32,248 | 35,398 |
| May | 31,016 | 30,123 | 31,779 | 36,172 |
| June | 35,660 | 32,226 | 28,530 | 33,670 |
| July | 30.635 | 20,902 | 28,159 | 32,681 |
| Aug. | 28,446 | 26,494 | 24.698 | 29,597 |
| Sept. | 27.928 | 34,262 | 26.156 | ..... |
| Oct. | 32,372 | 31,900 | 31,210 | ..... |
| Nov. | 37,167 | 33,034 | 32,899 | ..... |
| Dec. | 36,475 | 34,759 | 33,727 | ..... |
| Totals | 386,855 | 368,726 | 365,217 | ..... |

## Ontario Underwriters To Meet October 18

The Ontario branch of the Life Underwriters' Association of Canada will be held in Toronto October 18. Speakers include Leonard Brockington, wartime assistant to the Prime Minister of Canada; Holgar Johnson, President of the Institute of Life Insurance; Lawrence Simon and James E. Bragg of New York; F. L. MacFarlane, Cleveland; C. J. Zimmerman, Chicago, and Albert Gray, Newark.

## New Licenses

The Dominion Department of Insurance has licensed the following companies to write the classes of insurance indicated:

**Gibralter Fire & Marine Insurance Co.**—Fire, civil commotion, earthquake, limited or inherent explosion, falling aircraft, hail, personal property, sprinkler leakage, impact by vehicles, weather and windstorm insurance on property which is also insured against fire by the company. G. R. Thomson, Montreal, has been appointed chief agent in Canada.

**The American Central Insurance Co.** — Falling aircraft insurance and insurance against damage from impact by vehicles, on property also insuranced by the company against fire.

**Michigan Fire & Marine Insurance Co.**—Personal property insurance.

United States Fidelity & Guaranty Company
TORONTO

## Notes Major Changes In British Insurance

Great changes in British insurance in the last two years are noted in an article in a recent issue of The Economist, London.

One of these is that the close and intimate relations that have existed between British companies and the continent of Europe have for the most part been severed. In the occupied countries Germany has handed over to her own companies, connections that formerly were British and although it is believed certain they will after the war be re-established, the business has for the time passed out of British hands.

"It is impossible," the article says, "to foresee how and when the frozen assets and liabilities of the London insurance market on the European continent will be thawed.

**Overseas Relations Wider**

"Fortunately connections with other overseas markets, so far from dying a temporary death, have probably become closer and wider. The interests of the London market in the United States, for example, have almost certainly increased since the outbreak of war and the confidence of American policyholders in British companies and underwriters appears to be greater than ever before."

The most interesting problem of the British insurance business at home is stated to be the necessary intrusion of the government into insurance which, the article says, "goes far beyond the activity of the government in the last war, and has given the treasury a gigantic premium income and correspondingly large liabilities."

**Six Insurance Schemes**

Six main schemes of wartime insurance are enumerated:

1. Insurance of commodities—This is a government monopoly managed by the Board of Trade through companies, brokers and the Corporation of Lloyds. It is compulsory on sellers of goods and the full value of stocks must be covered. Total premiums received by the government, it is estimated, should be enormous.

2. Insurance of hulls—Ships are insured with a club of the owner's choice which retains 20% of the risk and reinsures 80% with the government. It is not a monopoly, though the British fleets that do not come under the plan are few.

3. Insurance of cargo—This is theoretically not a government monopoly but actually it is because marine underwriters have bound themselves not to accept cargo the government will write at less than 125% of the government rate. This has avoided the competition between the government and the companies seen in the last war.

**Under War Damage Act**

4. Insurance under the War Damage Act which covers buildings and equipment. This insurance is compulsory.

5. Insurance under the War Damage Act which covers chattels, this insurance being voluntary.

No claims will be paid till after the war under either coverage. Only about 20% of the householders have insured their chattels.

6. Insurance of food and supplies against marine and fire risks but not war. The government, which is the insurer in the other plan, is insured in this. It covers merchandise bought by the government f.o.b. or in warehouse abroad. This being government property would normally not be insured but by special agreement is insured by a consortium of companies and underwriters.

The writer of the article finds the government's intervention in insurance of great value to the country in its war effort. He maintains, however, that peacetime international trade could never be served as it needs by government schemes because they are inelastic, because they must be conducted in accordance with the terms of an Act of Parliament.

## Life Agency Officers Meeting in November

The Association of Life Agency Officers and the Life Insurance Sales Research Bureau will hold their joint annual meeting in Toronto for the first time on Nov. 3-5.

Arrangements for the meeting are in charge of a general committee as follows:

C. D. Devlin, assistant general manager, Confederation Life Association, chairman.

**Committee**

S. C. McEvenue, general manager, Canada Life.

R. Leighton Foster, general counsel, The Canadian Life Insurance Officers Association.

J. G. Parker, general manager and actuary, Imperial Life.

W. A. Hand, secretary of the committee and registrar, agency department, Confederation Life.

$1,465,58[illegible] DIVIDENDS RETURNED TO POLICYHOLDERS IN 1940

. . . a convincing demonstration of how a mutual fire insurance company, operated for the benefit of its policyholders, can effect definite, clear-cut savings in their insurance costs.

These benefits are available to YOU today. Enquire now—local agents and branch offices across Canada.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
CANADIAN HEAD OFFICE · VANCOUVER

WHEN emergencies test the strength of your insurance company, you will be fortunate if you have chosen one that is founded on the rock of financial security and based on sound insurance practice.

QUALITY, whether it be in merchandise or insurance, is easily recognizable and is to-day appealing more and more to those who want to be assured of the utmost in financial security and protection.

Buy your insurance protection from BOARD companies at rates at once reasonable and adequate, yet intelligently and systematically measured as a result of careful research and study of each risk.

GREAT AMERICAN INSURANCE CO. • ROCHESTER UNDERWRITERS AGENCY

Great American and Associated Insurance Companies New York

AMERICAN ALLIANCE INSURANCE CO. • GREAT AMERICAN INDEMNITY CO.

HEAD OFFICE FOR CANADA: 465 ST. JOHN STREET, MONTREAL
ADAM McBRIDE, Manager J. H. HARVEY, Assistant Manager
TORONTO WINNIPEG VANCOUVER

WHAT DOES A GROWING FAMILY COST IN SHOE LEATHER ?

SHOES AND BOOTS! One of the big items in the clothes budget, yet only one of a long list of expenses your income has to meet, year in and year out.

Supposing your family no longer had this income . . . what then? Would your present life insurance, or other savings be enough to provide them with the essentials of living?

Life insurance *can* take care of it all if you *plan it to do so!* The Mutual Life of Canada will guarantee, for your wife and family, the *continuation* of an income sufficient for their needs for as long as they need it! Or, when you yourself reach retirement age, an income will be paid to *you*.

This type of insurance costs no more than you can comfortably afford . . . because it is based on *income* . . . because The Mutual Life will design a policy to meet your *individual* needs. Moreover, The Mutual Life, as its name suggests, is a truly "mutual" company. All profits belong to the policyholders. Dividends can be used, if you wish, to reduce premiums, or increase the value of your policy.

Mutual Life representatives are well equipped to advise you. Why not let one work out the cost of a "continued income" plan for *you?*

THE "VICTORY POLICY"
AT LOW COST, WILL PROVIDE ADEQUATE PROTECTION FOR THEM

In making insurance plans today you may have to ask yourself, "How can I combine *adequate* protection with my present commitments for War Savings Certificates or other war loans?" The new "Victory Policy" has been *specially developed* by The Mutual Life of Canada to meet this problem.

*For war-time needs*

Premiums are exceedingly low for a fixed period of years, while you are investing in War Savings Certificates. When the rate is adjusted at the end of this period, the premium is still lower than you would normally pay, and you will be able to use the proceeds of your War Savings Certificates as they mature to pay the premiums.

The "Victory Policy" is a *permanent* plan of life insurance. It is available to every adult who is insurable; and it is especially attractive to men and women with modest incomes.

See your nearest Mutual Life representative for complete information. Or write direct to The Mutual Life of Canada, Waterloo, Ont.

THE MUTUAL LIFE OF CANADA
Established 1869
HEAD OFFICE • WATERLOO, ONT.
ALL PROFITS FOR POLICYHOLDERS

The EXCELSIOR LIFE
Branch Offices from Coast to Coast
A STRONG CANADIAN COMPANY
ESTABLISHED 1889 « » HEAD OFFICE - TORONTO

100 Years Giving Satisfactory Service in all Parts of the World

NORWICH UNION FIRE INSURANCE SOCIETY, LTD.

Head Office for Canada, Toronto.
E. M. WHITLEY, *General Manager for Canada*

This Company is much in favor with Merchants and Manufacturers

BRITISH TRADERS INSURANCE COMPANY, LIMITED

Head Office for Canada, Toronto
COLIN E. SWORD, *Manager for Canada*

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH, Chief Agent
CONCOURSE BUILDING
TORONTO
SERVICE SAVINGS SECURITY
Fire and Allied Lines Written in Associated Companies

# Real Estate Experts Report on Canadian Communities

## Increasing Shortage Is Common in Most Replies to Financial Post Survey

Two weeks ago The Financial Post combined the reports of scores of Canadian real estate authorities to show what two years of war have done to the position of the Canadian householder.

In a survey of the nation's real estate problems, little room was left for reports on individual communities.

For their importance to particular localities, and their interest for comparison with other centres, The Post herewith makes its first publication of special reports received from real estate authorities dealing with conditions in their own areas. Common to most of the surveys is the increasing shortage of housing accommodation, the relatively small amount of private building for renting, and the general feeling that no matter how fairly it may be administered locally, rent control is based on unsound principles.

### Vancouver

**J. P. Nicolls of the Vancouver Insurance, financial and estate agents firm of Macaulay, Nicolls, Maitland and Co. writes:**

There is not a great deal of buying of real estate here for investment purposes, but there is some—chiefly apartment houses, duplexes, large dwellings for income purposes and suburban stores. There is also a little downtown property selling for future values, these usually bought at distress prices considerably below their assessment. Comparing prices two years ago and now we consider that a $3,000 residential property would now be selling around $3,250. A $7,500 residential property would fetch much the same price, but an $18,000 residential property at that time could not be considered as worth more than perhaps $12,500 now.

There has been an increased demand for residential property since the war, partly due to the growth of population and the increase of money in circulation as a result of war work. Only a few buyers have definitely in mind the danger of inflation and the necessity to protect themselves.

As the trend of residential building has been chiefly in houses from $2,000 to $4,000, the growth of the city has taken care of the building and new structures have been well disposed of as a whole. But for this building, and the rent control, rents would have materially increased here. There has been no Wartime Housing operation in Vancouver as yet. One project is going forward in North Vancouver and one in Prince Rupert, B.C.

Lower municipal assessment and consequently reduced taxation have improved the position of many properties. On the whole, rent control has been fairly administered though this has not been very severely tested. The average property owner does not care to apply for relief, expecting little sympathy from the authorities. Yields on real estate investments have improved somewhat since the war began. The increased distribution of money has resulted in an improved position for the retailer. Store rents have been better paid. Returns on apartment houses particularly in suburban stores would show higher returns than first-class stocks.

As an example, Safeway Stores have been building and selling properties to be occupied by themselves. The yield on purchases of these properties is 6% to 7% on the total price after amply providing for depreciation. The Safeway Stores investment has the guarantee of occupancy by the stores for a long period, and the return is regarded as fairly comparable to an 8% to 10% yield on apartments before taking care of depreciation.

**Doubtful Future**

As in other communities, real estate in Vancouver has been the subject of excessive taxation. The superior governments, provincial and Dominion, having gone through periods of great extravagance, have oppressed the municipalities, making them carry burdens which various commissions have from time to time reported as being properly the burden of the provincial and Dominion governments. In consequence of this heavy taxation, real estate as an investment has been placed under a cloud.

Increased economy on the part of the city has helped, but sinking funds have been neglected. Relief costs are eased just now by better employment, but will no doubt, increase heavily after the war.

Civic employees are asking for increases in pay. More elaborate civic services are being demanded continually, and even now there is a movement to remove the limits of taxation imposed by our city charter.

There is consequently a danger that temporarily improved conditions might make the government think city real estate could bear more taxation. This might be imposed, and at the same time a return might take place for revenue.

To sum up, conditions are brighter than they have been for some time, but our outlook is of a very mixed order.

### Toronto

**The manager of one of the leading trust and loan companies reports:**

Since the first of the year the demand for residential properties has been very great. There has been an influx of all classes of labor into Toronto and of course these people have to be taken care of. Up to the first of this year there were still a great number of families doubled up but with the labor market as it is at the present time, the majority of men are working and we feel their first objective after paying up some of their debts is to get out and have a home of their own. The old saying "Two families cannot live in one home" certainly seems to apply. Some buyers are hedging on inflation, but most of them seem to feel that rents along with other commodities will increase, and that by investing a few hundred dollars in the property, they will be able to carry the balance in monthly payments equivalent to a reasonable rent.

**Buy For Occupancy**

There seem to be larger cash payments on offers received during the last few months. Some time ago on smaller properties, cash payments of $100 or $200 were offered, and on the same properties we are now receiving at least $500. Mortgagors seem better able to meet their principal payments but a number are still taking advantage of the moratorium act.

There may have been some increase in investment buying but very little has been experienced by our corporation. Over 90% of the properties we have sold this year have been occupied by the purchasers.

Prices on homes formerly valued at around $3,000 have now increased to roughly around $3,250 to $3,400. Homes formerly valued at $7,000 might now bring approximately $7,500. There is no market for $18,000 homes to speak of.

Rents on low cost dwellings have increased about 8% and roughly the same increase is shown on medium cost housing. There has been no change in the higher priced dwellings and apartments have possibly increased in rent some 8 to 10%. The cost of labor and materials has increased greatly during the past year and it is costing considerably more to look after repairs. In addition, coal for buildings that we heat has increased as much as $2 per ton which means considerably more outlay over a period of a year.

Toronto has not yet been placed under rent control, and the majority of opinion seems definitely against it. There is talk of rent control being imposed.

**Vacancies Down**

We have no vacancies at the present time other than two or three properties that we will not rent as we want to sell them. During the past two or three years, at this season we have always had approximately 10 to 15 houses vacant.

There has been a good deal of building in and around Toronto which up until a few months ago affected the renting of older properties. However, with the increased cost of building, the sale price for newer properties is increasing and, therefore, the older properties are now in demand. In addition, on older properties the local improvements are paid for, and while in a good many cases the taxes are still fairly high, we believe the trend is downward. In the new sections the taxes seem exorbitant due to local improvements that in many cases take far more than their share of the yearly rental.

**Better Yields**

It is possible that the yield on real estate investment has improved a little over the past few months, but not very noticeably. In view of low rentals and high taxes real estate has been a poor hold for investment purposes and an investment in good stocks or bonds appears to have given greater yield with fewer responsibilities.

Lower general municipal tax rates have somewhat improved the position of the property owners of Toronto but the current rumors of rent control threaten the outlook. Rentals for the past seven or eight years have not been sufficient to take care of carrying charges. We do not think that the vast majority of landlords or mortgagees will ask for higher rentals than necessary to keep properties in a proper state of repair and give a fair return on their investment.

### Hamilton

**C. E. Purnell, president of the Ontario Association of Real Estate Boards, writes of his home city:**

There has been a greater demand here and some increases in value in the houses selling around $3,000, with no increase and some losses in houses in the $7,500 category. The higher cost of commodities, especially fuel, increased income taxes, etc., works against sales in the higher brackets. Buyers are loath to assume heavy obligations in respect of housing.

There has been a substantial change in the proportion of cash paid in property purchases. Vendors are mindful of previous experiences with low down payments followed by repossession and are demanding more cash. Only 25% of the purchasers pay less than half of the price in cash. Another 25% pay approximately half in cash and about 50% of the purchasers pay all cash. Mortgagors are better able to meet payments and there is no tendency to ask for stay. Most of the recent mortgagors are demanding a clause allowing the right to pay more than the stipulated amount on any interest date.

**Buy to Alter**

Buying in the investment category is fairly brisk but prices are very low—often much lower than the assessment. Older properties where possibilities for conversion into duplex, triplex, etc., or single family units at low prices, usually estate property where cash is required, are finding favor with investors here. There is definitely no buying of new property for investment, the ratio of purchase prices does not allow for depreciation under pegged rents and the hazards of real estate taxation.

Since the war started the demand for residential properties is much greater as a result of the 5,000 increase in population here in one year. The doubling up of the depression years is being discarded, and there is a desire to obtain security from the possibility of homes being sold over the heads of tenants. I doubt if the average tenant knows the meaning of inflation and this is a minor factor. They buy because it is the only way to be secure in a house.

Although our district is under rent control, there has been some advance of roughly 10 to 12% in low cost dwellings, perhaps 5 to 8% in medium cost, with no rent advances in the higher cost homes. Apartments have advanced rentals roughly 5 to 8%. With employment and wages in the district the highest in 20 years, the average income has advanced substantially beyond any increases in rent.

There are no vacancies here at all, every agent has a waiting list of tenants and the city is providing temporary accommodation in a factory. Three years ago possibly 2 to 2½% of Hamilton's properties were vacant.

Residential building has been stimulated by the great demand, mostly in houses of from $3,500 to $4,500. Very few are building at costs of over $6,000 and all construction is on definite orders there being no speculative building. This building has had no effect on rents as yet, but the revolutionary changes of construction such as insulation, forced draft heating, new architecture, the generous use of stone and glazed tile, have forced into obsolescence old houses, many of which are encumbered with mortgages at higher than the prevailing interest rates.

The 2-mill reduction in the city's tax rate which went into effect in 1941 after a steady rise which reached its peak in 1940 has improved the position of property owners.

**Effect of Rent Control**

Rent control is in effect and the regulations are being fairly applied. But the regulations themselves are unfair to property owners. Briefly, rent control does not provide necessary housing, it discourages ownership and construction of investment property, it stigmatizes all landlords as profiteers and disturbs good relations between landlord and tenant.

The most absurd rule of all in controlled areas is in cases where landlord and tenant are in agreement over an increase. I have no quarrel with subsequent procedure up to a point, although it involves considerable red tape and a public inquiry before a judge. But the rent control board insists on a still further scrutiny before final ratification. Surely a county judge who is considered capable of deciding whether or not a man should be locked up for 10 years is capable of arbitrating rents!

In my opinion sane rent control would abolish rent pegging. It would set up local committees of conscientious men to deal with complaints from tenants, these committees to weed out the frivolous and trivial, make an effort to adjust the remainder by a meeting with landlord and tenant and send the rest to the county judge for arbitration and final decision. No one knows better how to handle the local situation than those who live in the locality.

**Investment Yield Gains**

With regard to the investment yield on real estate, apartment yields have improved but the increase in upkeep, janitor service and fuel threaten to wipe out the increased income by next Spring. Fuel is up $3.00 to $4.50 per ton and will reflect in operating costs this coming winter. Property owners in the controlled area find difficulty in obtaining increased rents.

The yield on houses is improved in some cases but upkeep costs are nearly keeping pace.

New leases on commercial property show gratifying increases. To be profitable real estate requires shrewd handling by an expert. It is hazardous from the standpoint of municipal finance because 93% of municipal income is obtained from real estate and another relief load would soon destroy present profit margins. Real estate is more subject to fluctuation than any other commodity and until a definite move is made to change and stabilize the property tax, the condition will persist. Succession duties and income taxes are based on specific amounts —realty pays not on anything specific but according to the needs of the municipality no matter what they are.

### Montreal

**Alan Cradock Simpson, President, Cradock Simpson Co. of Montreal declares:**

Comparatively new and attractive properties in good locations that were selling for $3,000 and for $7,500 about two years ago might bring 10 or 15% more at the present time but the market for old properties at these prices has not improved during the period and the present day values of such old properties might be 10% less than 2 years ago. In the case of $18,000 properties there might be an increase of about 10% in the more modern ones, but the decrease in the case of old properties might be higher and might amount to 20% or more.

There is a tendency on the part of purchasers to pay more cash and to carry either a small mortgage or none at all. Purchasers of limited means are still buying on as easy terms as possible, but those who have cash prefer to make substantial payments in view of the uncertainty of the future. Mortgagors are better able now to meet principal repayments. There are not as many requests for postponements of such payments.

**Buy For Yield**

There has been considerable demand for good revenue properties for investment purposes, and many of the purchasers of such property are refugees or foreigners. A fair proportion of the recent building of investment properties has been done with foreign money. The investment properties that are most in demand are apartment houses and the purchasers appear to be more interested in the high immediate yield than in security for a long hold. There is also a demand for duplex dwellings and for flats but they are not as popular as apartment buildings as the yield is not as high.

There has been an increased demand for residential properties since the war started, especially in smaller modern homes of moderate cost, and in municipalities where the taxes are low. The increase in the income tax, in the cost of living and the difficulty of getting domestic help as a general practice is causing purchasers to look for smaller houses at lower operating costs. The possibility of inflation is one incentive to buyers but it is difficult to say how important it is.

We have no rent control so far but it is a possibility. The demand is very great for dwellings under $30 per month but rents in general have not increased more than $1 or $2 per month during the past two years. The situation is very similar as regards medium dwellings. The demand is rather poor for high cost dwellings and rentals have remained either stationary or have decreased during the last two years. Some comparatively modern dwellings were bringing about $120 two years ago and have been reduced to between $110 and $100. In dwellings of higher rental people have suffered even more.

**Low Rents Gain Most**

The demand for apartments under $60 per month is very good and rentals are being maintained. Apartments at higher rentals are not renting as readily and rents have decreased in many cases during the last two years.

Rents are being paid more promptly than formerly which indicates that tenants have more money or that they are afraid of being evicted if the rent is not paid, with greater difficulty than formerly being experienced in finding new accommodation. There is practically no vacancy in dwellings except among those of higher rentals. Recent report from the city assessors of Montreal shows vacancies in this city of 1½% instead of the normal 5%.

The trend of residential building has been toward the small self-contained houses of the modern type and also duplexes, although there have been a number of apartment buildings erected in the central part of the city with apartments ranging in size from 2 to 5 rooms. This building has had a bad effect on some of the older houses, duplexes and apartments, especially those of larger size and higher rental. Practically all this building can be done with private funds with the help of mortgages from the different lending companies.

We doubt if the yield on real estate investments as a whole has improved since the war began, since operating costs, etc., have probably increased as rapidly as rentals or even more so. We still believe, however, that a well selected real estate investment gives a higher return than any other investments that are comparable as regards safety, etc. The tendency in Montreal has been for taxes to increase and this condition is aggravated by the fact that many properties are over-assessed and sometimes to a serious extent.

**MANAGER**

H. A. Orders has been appointed manager of the Northwestern Mutual Fire Association for Quebec province, with headquarters in Montreal. Mr. Orders has been chief underwriter at the association's head office for Canada at Vancouver for the last six years. He was born in Hamilton and began his career with the Bank of Nova Scotia.


Profitable Short Date Investments for Surplus Funds

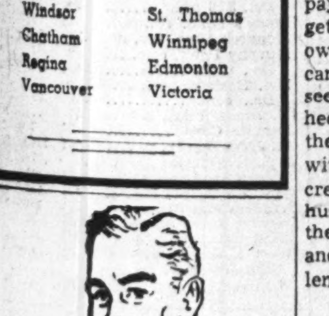
3% Guaranteed Trust Certificates
12 months

Guaranteed Deposit Certificates 2½%
$500 and over
Withdrawable on 10 days' notice

Limited sums accepted

The CANADA TRUST COMPANY

London, Hamilton, Windsor, Chatham, Regina, Vancouver, Toronto, Montreal, St. Thomas, Winnipeg, Edmonton, Victoria


PLAN AHEAD

The government of Canada has announced plans to finance much of the war expenditure out of current revenue. War taxes of various sorts are being imposed. To meet them the first step is to save systematically. Open an account with this Corporation and be ready when the government calls.

*2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.*

CANADA PERMANENT Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $67,000,000.



J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
W. F. HOUSTON, A.C.A.
CHARTERED ACCOUNTANTS
TORONTO KIRKLAND LAKE



YOUR HEIRS WILL BENEFIT

When you appoint a permanent, experienced trust company as executor of your estate, you know that your dependents will be protected against unnecessary legal expenses and unwise investments and assure the economical administration of your will.

*We Invite Consultation*

MONTREAL TRUST COMPANY
Montreal Trust Building
61 Yonge Street Toronto
J. F. HOBKIRK, Manager



"Ride up on the pendulum

The swing of the pendulum has been upward from the depression low point to an all-time Canadian high for employment, and the end is not yet, apparently. Employers' advertisements to secure help are on the increase daily. Thus, the consumer-buyer market in Toronto improves both as to greater numbers of buyers and greater per capita buying-power. Advertising in The Evening Telegram, at this time, to reach these buyers is an obvious course to sellers of products who wish to cash in on the present up-swing and, at the same time, ensure future sales.

TORONTO IS A "TELEGRAM" CITY

THE EVENING TELEGRAM
*Largest Classified Linage in Canada*
TORONTO CANADA
MONTREAL: E. R. CHOWN, Dominion Square Building



"I'm Going to the Bank"

This remark is as commonplace as "I'm going shopping" or "I have some calls to make".

It indicates the everyday use of services necessary to men and women alike, both personally and in connection with their business activities. "Going to the Bank" may be merely to get change or to cash a cheque—it may be to make a deposit, arrange a loan, buy a money order . . . . . . . . .

*All Banking Services are available to you and your active use of them will be welcomed.*

The BANK of NOVA SCOTIA
EST'D. 1832 — OVER A CENTURY OF BANKING EXPERIENCE



CANADA

ATTENTION
Income Tax Payers

Your first installment on 1941 Income Tax is due this month --- if you wish to pay by the Government Monthly Payment Plan

By the Government Easy Payment Plan your Income Tax is taken care of before it becomes a burden. It gives you the privilege of paying in twelve monthly installments--without interest or penalty, provided you make your payments regularly.

HERE IS HOW TO GET THE BENEFIT OF THE MONTHLY PAYMENT PRIVILEGE

Simply divide the total of your *1940 Income Tax* by twelve. This is the amount that must be paid to the Receiver General this month -- September, 1941. Then pay the same amount before the end of each month for the balance of 1941. Before the end of January, 1942, you will have estimated the tax on your 1941 income at the 1941 rate, from which you will deduct the four payments you will have already made. The remainder of your tax may then be paid in eight equal monthly payments starting January.

Realizing the many demands on the people of Canada as a result of the war, the Government presents the above plan as the most reasonable and convenient method of meeting your income tax obligations. Ask your local Income Tax Office for Installment Income Tax Remittance Form.

START NOW TO PAY YOUR INCOME TAX OUT OF INCOME

C. W. G. GIBSON, *Minister of National Revenue*

C. F. ELLIOTT, *Commissioner of Income Tax*

# THE WEEK'S QUOTATIONS

## Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING SEPTEMBER 22

| Range 1941 High | Low | Div Rate $ | Sep 20 Y'ld % | | Sales | Last Sept. 15 | Week end. Sept. 22 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **A** | | | | | |
| | | | | Abitibi | 9580 | .95 | 1.15 | .95 | 1.00 |
| 1.15 | .50 | • | ... | Do. pref. 6% | 7845 | 7¼ | 8¾ | 7¼ | 7¼ |
| 8¾ | 4 | • | ... | Do. pref. 7% | 125 | 12¾ | 13¼ | 12 | 12 |
| 13¼ | 8 | • | ... | Acme Glove | .... | (2¼ bid — asked) | | | |
| 3 | 1 | • | ... | Do. pref. | .... | (52 bid 60 asked) | | | |
| 60 | 50 | 6.50 | 11.8 | Agnew Surp. | 10 | 13¼ | 14 | 14 | 14 |
| 14 | 11¼ | 80+20c | 7 | Do. pref. | .... | (107 bid — asked) | | | |
| 108 | 105 | 7 | 6.6 | Alta. Pac. Gr. | 25 | 1.00 | 1.25 | 1.25 | 1.25 |
| 1.50 | .75 | • | ... | Do. pref. | 225 | 28 | 31 | 29¼ | 30¼ |
| 33 | 24¼ | • | ... | Algoma Steel | 1310 | 9¼ | 10¼ | 9¼ | 9¼ |
| 10¼ | 7 | • | ... | Do. pref. | 5 | 90 | 90 | 90 | 90 |
| 97¼ | 84¼ | 5 | 5.6 | Aluminium | 480 | 101¾ | 102¾ | 100¼ | 100¼ |
| 115 | 98 | 8 | 7.9 | Do. pref. | .... | (115 bid — asked) | | | |
| 120 | 117 | 6 | 5.1 | Amal. Electric | .... | (7¼ bid — asked) | | | |
| 7¼ | 5¼ | 25c | ... | Amer. Cyn. B. | .... | (33 bid — asked) | | | |
| 37 | 37 | 60c | 1.6 | Ang. Can. T. p | 5 | 45 | 45 | 45 | 45 |
| 46 | 44 | 2.75 | 6.1 | Asbestos | 730 | 19¼ | 19¼ | 18¾ | 18¾ |
| 19¼ | 14¾ | 60+60c | 6 | Assoc. Brew. | 347 | 16¾ | 16¼ | 16¼ | 16¼ |
| 17¼ | 14¼ | 1 | 6.2 | Do. pref. | .... | (— bid 110¼ asked) | | | |
| 111 | 108¼ | 7 | 6.3 | Assoc. T. & T.A. | .... | (— bid — asked) | | | |
| •2 | 2 | • | ... | Do. pref. | .... | (— bid 44 asked) | | | |
| ‡24 | 24 | 48c | ... | Ault & Wiborg | .... | (100 bid — asked) | | | |
| §103 | 101 | 5.50 | 5.3 | | | | | | |
| | | | | **B** | | | | | |
| | | | | Bk. Can. Nat. | 12 | 142¼ | 143 | 142¼ | 142¼ |
| 147 | 140 | 8 | 5.6 | Bk. Montreal | 46 | 186 | 188 | 186 | 188 |
| 195 | 171 | 8 | 4.2 | Bk. N. Scotia | 4 | 280 | 279 | 279 | 279 |
| 285 | 268 | 12 | 4.2 | Bk. Toronto | 22 | 250 | 252 | 249 | 252 |
| 252 | 240 | 10 | 3.9 | Barcelona | .... | (— bid — asked) | | | |
| •5 | 4¼ | • | ... | Barker's Bread | .... | (.35 bid — asked) | | | |
| 1.25 | .35 | • | ... | Do. pref. | .... | (15¼ bid 16 asked) | | | |
| 22 | 16 | 2.50 | 15.6 | Bathurst Pr. | 2410 | 13¼ | 13¾ | 13 | 13¼ |
| 13¾ | 10 | 1+25c | 7.4 | Do. (B) | 75 | 2¾ | 2¾ | 2¼ | 2¾ |
| 2¾ | 1 | • | ... | Beath & Sons | 165 | 3¼ | 4 | 4 | 4 |

| Range 1941 High | Low | Div Rate $ | Sep 20 Y'ld % | |
|---|---|---|---|---|
| 17¾ | 14¾ | 1 | 5.7 | Ford Motor A. |
| 16¾ | 15 | 1 | 6.2 | Do. (B) |
| .15 | .15 | • | ... | For. Pr. Secs. |
| 16¾ | 10¾ | 1 | 6.3 | Foundation Co. |
| 11¼ | 4¼ | • | ... | Fraser Cos. |
| 13 | 5¾ | • | ... | Do. Vot. Tr. |
| .50 | .50 | • | ... | Freiman |
| 47 | 41 | • | ... | Do. pref. |
| 9¾ | 6 | ‡56c | ... | Gatineau Pwr. |
| 90 | 70 | 5 | 6.9 | Do. pref. |
| 95¼ | 75 | 5.50 | 7.3 | Do. 5½% pref. |
| 1.25 | .15 | • | ... | Do. Rights |
| 7¼ | 4¼ | • | ... | Gen. St. Wares. |
| 94 | 86 | 7+27c | ... | Do. pref. |
| 80 | 66 | 2.50+1.50 | ... | Goodyear Tire. |
| 56 | 52¾ | 2.50 | 4.6 | Do. pref. |
| •50 | 50 | ‡5 | ... | Gould Pumps |
| 4 | 2¼ | • | ... | Gt. Lakes Pap. |
| §29 | 18¼ | ‡75c | ... | Do. pref. |
| 3¾ | 1¾ | • | ... | Do. Vot. tr. c. |
| 19¾ | 12 | ‡75c | ... | Do. Vot. tr. p. |
| 5¼ | 1¾ | • | ... | Gt. W. Saddlery |
| 30 | 25 | ‡4.50 | ... | Do. pref. |
| 11¼ | 9¼ | 60c | ... | Greening Wire |
| §1.25 | 1.25 | 10c | ... | Growers' Wine. |
| 4¼ | 2¼ | • | ... | Gurd, Chas. |
| §107¼ | 106¼ | • | ... | Do. pref. |
| 4¼ | 2 | • | ... | Gypsum, Lime. |
| | | | | **H, I** |
| | | | | Halifax Fire |
| 17 | 16¼ | 1 | ... | Ham. Bridge |
| 5¼ | 2¾ | ... | ... | Ham. Cot., pf. |
| 36 | 34¼ | 2+2▲ | 5¼ | Ham. U. Theat. |
| 1.10 | .65 | • | ... | Do. pref. |
| 75 | 65 | 5 | 6.7 | Harding Carpet |
| 3¼ | 2¼ | 20+10c | ... | Hillcrest Coll. |
| .25 | .25 | • | ... | Do. pref. |
| 4 | 2 | • | ... | Hinde & Dauch |
| 11 | 8¼ | 50c | 4.8 | Holt Renfrew |
| •20 | 20 | • | ... | Do. pref. |

| Range 1941 High | Low | Div Rate $ | Sep 20 Y'ld % | | Sales | Last Sept. 15 | H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 18¼ | 14¾ | 1 | | Winnipeg El. A. | 11 | 1.10 | .90 | .80 | .80 |
| 1.15 | .50 | • | ... | Do. (B) | 77 | 6½ | 6 | 5 | 5 |
| 1.40 | .65 | • | ... | Do. pref. | .... | (75 bid 80 asked) | | | |
| 8 | 3¾ | • | ... | Wood A. & J. p | .... | (45 bid — asked) | | | |
| 85 | 73¼ | 7 | 8.7 | Woods Mfg., pf. | .... | (4 bid 5 asked) | | | |
| 55 | 45 | • | ... | York Knitting | .... | (— bid — asked) | | | |
| 5¼ | 4 | 40c | ... | Do. 1st pref. | 30 | 12¼ | 12 | 12 | 12 |
| •100 | 100 | 7 | 7 | Zellers | 10 | 23¼ | 24¼ | 24¼ | 24¼ |
| 13 | 8¼ | 80c | 6.7 | Do. pref. | | | | | |
| 24¼ | 23¼ | 1.50 | 6.4 | | | | | | |

Quotations: § 1940. • 1939. * 1938.
▲ On account of arrears. ‡ Paid or payable in 1941 to date. ♦ Paid in 1940.
■ Participating.
• Paid in 1941 after corporate income tax.

## Mining Stocks

Week Ending September 22

| Par Val. | Range 1941 High | Low | Company | Sales | Close Sept. 15 (or last) | High for week | Low for week | Close Sept. 22 |
|---|---|---|---|---|---|---|---|---|
| | | | **A** | | | | | |
| No | .24 | .05 | Aldermac | 58,250 | .20 | .24 | .19 | .19 |
| 1 | .01½ | .00½ | Amm. Gold | 5,000 | .00¾ | .01½ | .01½ | .01½ |
| No | 3.15 | 1.90 | Anglo-Huronian | 20 | 2.80 | 2.90 | 2.90 | 2.90 |
| No | .30 | .30 | Argus Interests | ...... | (— bid .50 asked) | | | |
| No | .08 | .01 | Arno | ...... | (— bid .02 asked) | | | |
| 1 | .11 | .03¾ | Arntfield | 44,000 | .08½ | .08½ | .07½ | .08 |
| 1 | .06½ | .03¾ | Ashley | 1,000 | .06 | .06½ | .06 | .06 |
| 1 | .05 | .02 | Astoria Quebec | ...... | (.... bid .02 asked) | | | |
| 1 | 2.45 | 1.50 | Aunor Gold | 1,950 | 1.77 | 1.80 | 1.69 | 1.70 |
| | | | **B** | | | | | |
| 1 | .16½ | .05 | Bagamac | 100 | .11½ | .10 | .10 | .10 |
| 1 | .08 | .04 | Bankfield | 7,200 | .06½ | .06 | .05½ | .06 |
| No | .14 | .05 | Base Metals | 11,700 | .11 | .13 | .11 | .11½ |
| 1 | .15 | .06 | Bear Exploration | 10,900 | .11 | .10 | .09½ | .10 |
| 1 | 1.24 | 1.00 | Beattie Gold | 8,600 | 1.08 | 1.11 | 1.08 | 1.10 |
| 1 | .09 | .04½ | Beaufor | 200 | .07½ | .08 | .08 | .08 |
| 1 | 1.00 | .90 | Berens River | ...... | (.60 bid 1.00 asked) | | | |
| 1 | .15 | .07 | Bidgood Kirk. | 13,200 | .13 | .13 | .11 | .11 |
| 1 | .11 | .05 | Bobjo | 4,000 | .07 | .07 | .06 | .06½ |
| 1 | .59 | .41½ | Bonetal Gold | 4,349 | .47 | .46 | .41½ | .42 |
| 1 | .02½ | .00½ | Bouscadillac G.M. | ...... | (.01½ bid .03 asked) | | | |
| No | 11.63 | 9.50 | Bralorne | 480 | 11.37 | 11.63 | 11.37 | 11.63 |

## Oil Quotations

| Par | High | Low | Company | Sales | | | | |
|---|---|---|---|---|---|---|---|---|
| No | .83 | .46 | Anaconda | 3,000 | .04 | .04 | | |
| No | .08½ | .03½ | Brit. Dominion | ...... | (.06½ bid .... asked) | | | |
| No | .07 | .04 | Brown Oil | ...... | (.07½ June 10) | | | |
| No | .07½ | .05 | Calgary & Ed. | 1,500 | 1.40 | 1.40 | 1.34 | 1.34 |
| No | 1.50 | 1.01 | Calmont | 1,200 | .21 | .20 | .20 | .20 |
| 1 | .26 | .14 | Commoil | ...... | (.22 bid .... asked) | | | |
| No | .28 | .18 | Commonwealth | 500 | .25 | .26 | .26 | .26 |
| No | .26 | .19 | Dalhousie | ...... | (.24 bid .... asked) | | | |
| No | .30 | .20 | Davies Pete | 500 | .16 | .15 | .15 | .15 |
| No | .16 | .13½ | East Crest | ...... | (.02½ bid .... asked) | | | |
| No | .04 | .02 | Extension | ...... | (.18½ Aug. 11) | | | |
| No | .19 | .11 | Federated Petroleum | ...... | (.20 bid .... asked) | | | |
| No | .36½ | .21 | Foothills | 300 | .85 | .85 | .80 | .80 |
| No | .85 | .41 | High Sarcee | ...... | (.14½ bid .... asked) | | | |
| No | .15 | .07 | Home Oil | 3,420 | 2.59 | 2.62 | 2.45 | 2.46 |
| No | 2.66 | 1.50 | Madison | ...... | (.01½ bid .01¾ asked) | | | |
| No | .01½ | .01 | Marjon Oil | ...... | (.01½ bid .01¾ asked) | | | |
| No | .02 | .01 | McD. Segur Ex. | 200 | .05 | .05 | .05 | .05 |
| No | .07 | .04 | Mercury | 2,000 | .04 | .04½ | .04½ | .04½ |
| No | .05 | .02 | Mill City Pete | 500 | .05½ | .08 | .08 | .08 |
| No | .08 | .04 | Model | 500 | .18 | .18 | .18 | .18 |
| 1 | .19 | .12 | National Pete | ...... | (.04 bid .... asked) | | | |
| 25c. | .05½ | .04 | Nordon | ...... | (..... bid .... asked) | | | |
| 1 | •.05 | .04 | Okalta | 500 | .60 | .57 | .56 | .57 |
| No | .75 | .40 | Pacalta Oil | ...... | (.02½ bid .... asked) | | | |
| No | .04 | .02 | Pacific Petroleums | 9,000 | .20 | .20 | .20 | .20 |
| 1 | .26 | .18 | Royal Canadian | 6,700 | .04½ | .04½ | .04½ | .04½ |
| No | .15 | .04½ | Royal Crest | ...... | (.... bid .... asked) | | | |
| No | •.10½ | .06 | Royalite | 20 | 24.00 | 23.50 | 23.50 | 23.50 |
| No | 25.00 | 17.12 | South End | 1,000 | .01 | .01 | .01 | .01 |
| No | .01½ | .01 | Southwest Pete | ...... | (.22 bid .... asked) | | | |
| No | .25 | .10 | Spooner | ...... | (..... bid .... asked) | | | |
| 1 | .05½ | .02½ | Sunset Oil | ...... | (.09 bid .... asked) | | | |
| 25c. | .14 | .10 | United | 1,700 | .04½ | .05½ | .05 | .05 |
| No | .05½ | .03 | Vanalta | 2,000 | .03½ | .03½ | .03½ | .03½ |
| No | .04½ | .03 | Vulcan | 100 | .22 | .20 | .20 | .20 |
| 1 | .38½ | .20 | | | | | | |

*Quotations for 1940.

## Winnipeg Stocks

(Transactions from Sept. 15 to Sept. 20)

| | Sales | High for period | Low for period | Close Sept. 20 |
|---|---|---|---|---|
| Beaver Lumber, c. | 105 | 3.00 | 3.00 | 3.00 |
| Crescent Creamery, pfd. | 110 | 12.00 | 11.00 | 12.00 |
| Federal Grain, pref. | 10 | 31.50 | 31.50 | 31.50 |
| Great-West Life | 3 | 200.00 | 200.00 | 200.00 |
| Rand Malartic | 200 | .20½ | .20½ | .20½ |
| United Grain Growers | 1 | 10.00 | 10.00 | 10.00 |
| Western Steel Products | 25 | 9.00 | 9.00 | 9.00 |

Stocks Not Traded in During Week*

| | Bid | Asked |
|---|---|---|
| Beaver Fire | 75 | .. |
| Beav. Lumber, p. | 102½ | .. |
| Can. Airways | 1 | .. |
| Can. Indemnity | 140 | .. |
| Corr. P. Box, s. | .60 | .. |
| Dom. Envelope, c. | 8 | 9½ |
| Dom. Envelope, p. | 95 | 100 |
| Fed. Grain, c. | .35 | .. |
| Grouped Inc. | .. | 5½ |
| Home Invest. | 15½ | .. |
| Nor. Can. Mtg. p. | 5 | 5½ |
| Nor. Trusts | .. | 7½ |
| Traders Bldg. | 43 | .. |
| West. Brew. | 1¾ | 2 |
| West. Grain, p. | .. | 9 |
| Wings | .35 | .75 |
| Do., vot. tr. | .35 | .. |

*Stocks more active on other exchanges not included.

## Volume of Stock Sales

| | Montreal Markets Indust. | Montreal Markets Mines | Toronto Markets Ind. & Mines | Vancouver Markets Ind. & Mines |
|---|---|---|---|---|
| Sept. 23 | 10,800 | 7,900 | 159,000 | ...... |
| Sept. 22 | 8,100 | 10,100 | 184,000 | 7,312 |
| Sept. 20 | 5,900 | 8,400 | 160,000 | 18,118 |
| Sept. 19 | 20,200 | 29,600 | 337,000 | 22,628 |
| Sept. 18 | 18,600 | 27,700 | 334,000 | 14,445 |
| Sept. 17 | 22,100 | 15,000 | 346,000 | 10,825 |

## Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

| % | Due | Bid | Ask. | Approx. Yld. |
|---|---|---|---|---|
| 5 | Feb. '54 | 116¾ | 117¾ | 3.24 |
| *5e | July '69 | 115¼ | 116¼ | b.79 |
| *5e | Oct. '69 | 119¼ | 120¼ | b2.71 |
| *5e | Feb. '70 | 119 | 120 | b2.86 |
| **Grand Trunk Pacific Rly.:** | | | | |
| 3 | Jan. '62 | 99¼ | 100¼ | 2.98 |
| **Provincial Gov't. Bonds** | | | | |
| **New Brunswick:** | | | | |
| 3 | Oct. '51 | 91 | 93 | 3.84 |
| 3½ | Aug. '49 | 94 | 96 | 3.80 |
| 3½ | June '56 | 93¼ | 95¼ | 3.90 |
| c4 | Nov. '47 | 101 | 103 | b3.22 |
| c4½ | Apr. '61 | 104 | 106 | 3.81 |
| c5 | Jan. '60 | 107 | 109 | 4.28 |
| **Nova Scotia:** | | | | |
| 3 | Jan. '52 | 95¼ | 97 | 3.33 |
| 3½ | June '56 | 95¼ | 97¼ | 3.46 |
| 3½ | Nov. '50 | 99 | 100¼ | 3.42 |
| c4½ | Sept. '52 | 106 | 107¼ | b3.12 |
| c4½ | Nov. '60 | 110 | 112 | 3.62 |
| c5 | Mar. '60 | 116 | 118 | 3.60 |
| **Ontario:** | | | | |
| 2½ | May '45 | 99¼ | 100¼ | 2.42 |
| 3 | Apr. '48 | 99¼ | 100¼ | b2.94 |
| 3 | Nov. '50 | 98¼ | 99¼ | 3.06 |
| 3½ | Nov. '51 | 100 | 101 | b3.11 |
| 3½ | May '55 | 100 | 100¾ | b3.16 |
| *4 | June '62 | 108 | 110 | 3.32 |
| 4½ | June '50 | 110 | 111 | 3.04 |
| *4½ | Jan. '62 | 115 | 116¼ | 3.36 |
| 5 | Oct. '48 | 111¼ | 112¼ | 3.02 |
| *5 | Dec. '60 | 121 | 123 | 3.38 |
| 5½ | July '46 | 111 | 112 | 2.82 |
| **Ont. Hydro Commission:** | | | | |
| 3 | Aug. '48 | 99¼ | 100¼ | b2.86 |
| 4 | Nov. '52 | 100 | 102 | [illegible] |
| 3¾ | Feb. '55 | 98 | 99¼ | [illegible] |
| 4½ | Aug. '58 | 102 | 104 | [illegible] |
| 4½ | Jan. '63 | 104 | 107 | [illegible] |
| **Alberta:** | | | | |
| 4 | Dec. '54 | 64 | 68 | [illegible] |
| 4½ | Oct. '51 | 66 | 71 | [illegible] |
| 4½ | Oct. '56 | 65 | 69 | [illegible] |
| *5 | Oct. '59 | 67 | 71 | [illegible] |
| c5½ | Apr. '52 | 69 | 72 | [illegible] |
| 6 | Mar. '47 | 71 | 74 | [illegible] |
| **British Columbia:** | | | | |
| c4 | Dec. '57 | 99 | 103 | [illegible] |
| *4½ | Jan. '51 | 105 | 108 | [illegible] |
| c4½ | Oct. '53 | 105 | 108 | [illegible] |
| c5 | Apr. '54 | 108 | 112 | [illegible] |
| 5½ | Feb. '45 | 104 | 108 | [illegible] |
| 6 | Feb. '47 | 106 | 110 | [illegible] |
| **Manitoba:** | | | | |
| c4 | Dec. '57 | 93 | 97 | [illegible] |
| c4½ | Dec. '56 | 96 | 100 | [illegible] |
| *5 | Dec. '59 | 100 | 104 | [illegible] |
| 5½ | Oct. '55 | 101 | 105 | [illegible] |
| 6 | Apr. '47 | 103 | 107 | [illegible] |
| **Saskatchewan:** | | | | |
| 4 | Sept. '54 | 74 | 78 | [illegible] |
| 4 | Nov. '60 | 73 | 77 | [illegible] |
| c4½ | Oct. '51 | 85 | 89 | [illegible] |
| c4½ | Mar. '60 | 80 | 84 | [illegible] |
| 5 | Aug. '58 | 84 | 88 | [illegible] |
| 5½ | Oct. '52 | 89 | 93 | [illegible] |
| 6 | Mar. '52 | 92 | 96 | [illegible] |

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield.

## Corporation Bonds (Cont'd)

| | Rate | Due | Bid | Asked | Bid |
|---|---|---|---|---|---|
| †Federal Grain | 6 | '49 | 100¼ | 102¼ | 100¼ |
| †Fraser Cos. | 6 | '50 | 101 | 103 | 100¼ |
| Galt Brass | 5 | '50 | 90 | .. | 90 |
| Gen. Stl. Wares. | 4½ | '52 | 100¼ | 102¼ | 100¼ |
| *Great L. Paper. | 5 | '55 | 96¼ | 98¼ | 96¼ |
| *Gurney Fdry. | 5½ | '49 | 76¼ | 79¼ | 77¼ |
| †Gypsum, Lime | 5½ | '48 | 101 | 103 | 101 |
| Ham. By-Pr., C. | 5 | '55 | 102 | 104 | 102¼ |
| Do. | 6 | '58 | 100 | 102 | 100 |
| Ham. Cotton | 4½ | '50 | 100 | 102 | 100 |
| Inter-City Bak. | 5½ | '48 | 102 | 104 | 102 |
| Indust. Accept. | 4 | '52 | 79 | 82 | 80 |
| Ins. Ex. Bldg. | 3 | '51 | 42 | 45 | 42 |
| *Inter. P., Nfld. | 4½ | '68 | 91 | 94 | 91 |
| *Inv. Bond & Sh. | 5 | '47 | 42 | .. | 42 |
| †Kingston Elev. | 6 | '50 | 104¼ | 106¼ | 104 |
| Lake St. J. P. | 5½ | '61 | 91¼ | 94¼ | 91¼ |
| Do. | 5 | '61 | 67 | 70 | 67 |
| Legare | 6 | '61 | 86 | 89 | 86 |
| Maple Leaf M. | 3 | '58 | 77 | 80 | 78 |
| Man. Sugar | 5 | '80 | 100¼ | 102¼ | 100¼ |
| Massey-Harris | 4½ | '54 | 96 | 99 | 96 |
| McColl-Fron. | 4½ | '49 | 102 | 104 | 102 |
| McCormick's | 4 | '52 | 96 | 99 | 96 |
| Do. | 4½ | '52 | 103 | ... | 103 |
| Mercury Mills | 5 | '59 | 95 | 98 | 96 |

## Municipal Bonds

| | % | Sept. 23, 1941 Due | Bid | Ask |
|---|---|---|---|---|
| †Halifax | 5 | 1961 | 112.00 | 115.00 |
| Hamilton | 5 | 1950 | 109.25 | 112.25 |
| Montreal | 5 | 1945 | 95.00 | 97.00 |
| Ottawa | 4½ | 1945 | 104.65 | 107.15 |
| †Quebec | 5 | 1959 | 106.00 | 108.00 |
| Saint John | 5 | 1950 | 104.50 | 106.50 |
| †Toronto | 4½ | 1955 | 110.00 | 113.50 |
| †Vancouver | 5 | 1950 | 102.00 | 104.00 |
| Winnipeg | 5 | 1944 | 102.00 | 104.00 |

†Payable Can. and N.Y.

## Investment Trusts

| | Bid |
|---|---|
| Affiliated Funds | 2.41 |
| Can. Amer. Trust | 3.00 |
| Can. Inter. Trust | 4.00 |
| Can. Invest. Fund | 3.35 |
| Corporate Investors | 5.73 |
| Trans-Canada | 10.10 |

## Annual Meetings

| Company | Place |
|---|---|
| [?]—South Amer. Gold | New York City |
| [?]—Loblaw Groceterias ..... | Toronto |
| [?]—Alberta Pac. Grain .... | Winnipeg |
| [?]—Massey-Harris Co.* ..... | Toronto |
| [?]—Massey-Harris Co.† ..... | Toronto |
| [?]—Mercantile Trans.‡ ... | Montreal |
| [?]—Prudent. Ins. of Am.▲ .. | Newark |

[..]f. shareholders. †Com. ‡Special.
[..]holders.

## Mining Dividends

| | Rate | Sept. 22 | Yield % |
|---|---|---|---|
| [..]-Huronian ...... | ▲10c | 2.90 | .. |
| [..] Gold ........ | 12c | 1.70 | .. |
| [..] Gold ........ | 16c | 1.10 | 14.5 |
| [..]ing ........ | 80c+40c | 11.63 | *10.3 |
| [..]an Porc. ....... | 12c | .74 | 16.2 |
| [..]o Ankerite ...... | ▲30c | 4.30 | .. |
| [..] Gold ........ | $3 | 19.00 | 15.8 |
| [..] Malartic ....... | 8c | .63 | 12.7 |
| [..]o Gold ...... | 16c+8c | 2.30 | *10.3 |
| [..]l Patricia .... | 16c+6c | 1.68 | *13.1 |
| [..]rville ........ | 10c | 1.50 | .. |
| [..]mour Willans ...... | 3c | .70 | .. |
| [..]as ........ | ▲17½c | 1.30 | .. |
| [..]rum ........ | 16c | 1.25 | 12.8 |
| [..] Smelters ... | $1+$1.50 | 40.75 | *6.2 |
| [..] ........ | ▲3c | .75 | .. |
| [..] ........ | $2 | 22.87 | 8.7 |
| [..] Mines ........ | ▲20c | 2.35 | .. |
| [..]Malartic ........ | 15c | 3.60 | .. |
| [..]bridge ........ | ▲4c | .52 | .. |
| [..]eur Gold ........ | ‡2c | .13 | .. |
| [..]le ........ | ▲2c | .23 | .. |
| [..] Belt ........ | ▲1½c | .15 | .. |
| [..]view ........ | 6c | .28 | .. |
| [..]r Gold ........ | 60c | 4.00 | 15 |
| [..]r ........ | ▲5c | .80 | .. |
| [..] Rock ........ | 8c | .47 | .. |
| [..]y Mascot ...... | 65c+45c | 12.50 | *8.8 |
| [..]ger ........ | ▲4c | .23 | .. |
| [..] Gold ........ | $2 | 29.00 | 6.9 |
| [..]n Bay ........ | †2c | .41 | .. |
| [..]ation ........ | $2 | 36.50 | 5.5 |
| [..] Nickel, com. ...... | ▲8c | 1.25 | .. |
| [..]d Mountain ........ | †2c | .38½ | .. |
| [..] ........ | ▲22c | 4.35 | .. |
| [..] Addison ........ | ‡10c | .30 | .. |
| [..] Lake .... | 10c+2c | .74 | *16.2 |
| [..]and Lake .... | ▲6c | .25 | .. |
| [..]easy Belle ...... | 40c+15c | 4.75 | *11.6 |
| [..]que Gold ... | $1.40 | 15.25 | 9.2 |
| [..] Shore ........ | 8c | .45½ | 17.6 |
| [..]h ........ | ▲10c | 1.79 | .. |
| [..]e Long Lac ...... | 32c+3c | 3.85 | *9.1 |
| [..]sa ........ | 8c | .45½ | 17.6 |
| [..] ........ | ‡6c | .67 | .. |
| [..]en R. Lake ........ | †5c | 2.40 | .. |
| [..]tic Gold ........ | ‡3c+1c | .20 | .. |
| [..]llivray Coal ... | 12c | 1.15 | 10.4 |
| [..]enzie Red L. ...... | 8c | .36½ | .. |
| [..]ta ........ | $2.22+$1.11 | 51.00 | *5.9 |
| [..]tyre-Porc. ........ | ‡20c | 1.95 | .. |
| [..]Leod-Cockshutt ... | 4c | .26 | .. |
| [..]ob Gold ........ | †5c | .55 | .. |
| [..]s ........ | 15c | 1.22 | 12.3 |
| [..]ing ........ | $4 | 56.00 | 7.2 |
| [..]nda ........ | ▲20c | 4.75 | .. |
| [..]h Empire ........ | 10c | 1.50 | .. |
| [..]en Gold ........ | 12c | 1.18 | 10.2 |
| [..]ar Porc. ........ | 20c+2c | 2.80 | *8 |
| [..] Cons. ........ | †6c | 1.65 | .. |
| [..] Oreille ........ | 16c+4c | 1.45 | *13.8 |
| [..]n Gold ........ | 40c | 2.30 | 17.3 |
| [..]er, B.C. ........ | 40c | 2.80 | 14.3 |
| [..] Crow ........ | $1.20 | 8.50 | 14.1 |
| [..]r Develop. ...... | 11c | .83 | 13.8 |
| [..]ier ........ | 20c+10c | 3.15 | *9.5 |
| [..]ton E. Dome .. | ▲9c+3c | .53 | .. |
| [..]ileet Mines .... | ‡2c | .20 | .. |
| [..]bec Gold ........ | 3c | .01 | .. |
| [..]ef Arlington ........ | 14c+6c | 2.35 | *8.4 |
| [..] Antonio ........ | 16c | .95 | 16.8 |
| [..]p Creek ........ | ▲5c | .95 | .. |
| [..]ritt Gordon ........ | ▲30c | 7.50 | .. |
| [..]a Mines ........ | 16c | .70 | 22.8 |
| [..]k Premier ........ | ▲6½c | .58 | .. |
| [..] ........ | 4c | 15½ | .. |
| [..]geon River ........ | ▲2½c | 1.66 | .. |
| [..]bury Basin ........ | ▲5½c | .70 | .. |
| [..]wan Cons. ........ | ▲2c | .11½ | .. |
| [..] Inlet ........ | 28c | 2.35 | 11.9 |
| [..]anite Gold ...... | 40c+5c | 2.80 | *16.1 |
| [..]-Hughes ...... | 12c+5c | 1.40 | *12.1 |
| [..]um ........ | ▲11c | 1.78 | .. |
| [..] Canada ........ | ▲10c | 4.40 | .. |
| [..]tures ........ | ▲20c | 4.75 | .. |
| [..]e Amulet ........ | 3c | .22½ | .. |
| [..]ridge ........ | 40c+30c | 4.05 | *17.3 |
| [..]ht-Harg. ...... | 2c | .04⅞ | .. |
| [..] Yankee ........ | | | |

*Yield including bonus. †Initial.
[..]aid in 1940. ▲Paid or declared pay-
[..]e in 1941 to date.

## Dividends Declared

| | This payment | Date payable | Date of record |
|---|---|---|---|
| [..]ew Surp., pref. | $1.75 | Oct. 1 | Sept. 15 |
| [..]estos Corp. ... | 15c | Sept. 30 | Sept. 15 |
| [..], bonus ..... | 15c | Sept. 30 | Sept. 15 |
| [..]. Cyan., A, B | †15c | Oct. 1 | Sept. 8 |
| [..]c. Brew., c. ... | 25c | Sept. 30 | Sept. 15 |
| [..]., pref. ...... | $1.75 | Oct. 1 | Sept. 15 |
| [..] W. Pres., p. | $1.75 | Oct. 1 | Sept. 26 |
| [..] Elec. Pwr., pf. | $1.50 | Oct. 1 | Sept. 20 |
| [..]urst Pr., A ..... | 25c | Dec. 1 | Nov. 14 |
| [..]., extra ........ | 25c | Dec. 1 | Nov. 14 |
| [..] C. Tele., 1st pf. | $1.50 | Oct. 1 | Sept. 16 |
| [..]., 2nd pref. ... | $1.50 | Nov. 1 | Oct. 17 |
| [..]t. Cordage, p. | 32½c | Oct. 15 | Sept. 20 |
| [..]ding Prod. .. | 17½c | Oct. 1 | Sept. 15 |
| [..]ing Cort. ...... | $1 | Oct. 1 | Sept. 15 |
| [..]., pref. ....... | $1.75 | Oct. 1 | Sept. 15 |
| [..]orne Mines .... | 20c | Oct. 15 | Sept. 30 |
| [..]., extra ....... | 10c | Oct. 15 | Sept. 30 |
| [..] Telephone ..... | $2 | Oct. 15 | Sept. 23 |
| [..] Power, A .... | 50c | Oct. 15 | Sept. 30 |
| [..] of N. Scotia .. | $3 | Oct. 1 | Sept. 15 |
| [..]dian Tr., pfd. | $1.50 | Oct. 1 | Sept. 15 |
| [..] Amer. Oil ... | 25c | Oct. 1 | Sept. 12 |
| [..] Ankerite .... | 10c | Oct. 1 | Sept. 17 |
| [..]ngton Steel .. | 15c | Oct. 1 | Sept. 15 |
| [..]ary & Edm. .... | 5c | Sept. 30 | Aug. 30 |
| [..] Bread, 1st pf. | $1.50 | Oct. 1 | Sept. 22 |
| [..]. B pref. .... | 62½c | Oct. 1 | Sept. 22 |
| [..] Indust., A, B | $1.50 | Oct. 31 | Sept. 30 |
| [..]., pref. ....... | $1.75 | Oct. 15 | Sept. 30 |
| [..]dian Oil, pf. | $2 | Oct. 1 | Sept. 20 |
| [..] Gen. Electric | $2 | Oct. 1 | Sept. 13 |
| [..] Nor. Power .. | ■15c | Oct. 25 | Sept. 30 |
| [..]., pref. ...... | ■$1.75 | Oct. 15 | Sept. 30 |
| [..] Canners ..... | 12½c | Oct. 1 | Sept. 15 |
| [..]., 1st pref. .... | 25c | Oct. 1 | Sept. 15 |
| [..]., participating .. | 5c | Oct. 1 | Sept. 15 |
| [..]., conv. pref. .... | 15c | Oct. 1 | Sept. 15 |
| [..]., participating . | 5c | Oct. 1 | Sept. 15 |
| [..] Celanese .... | 25c | Sept. 30 | Sept. 16 |
| [..]., extra ...... | 25c | Sept. 30 | Sept. 16 |
| [..]., pref. ...... | $1.75 | Sept. 30 | Sept. 16 |
| [..]dian Car, pfd. | 44c | Oct. 10 | Sept. 20 |
| [..] Cottons ...... | $1 | Oct. 1 | Sept. 15 |
| [..]., pref. ....... | $1.50 | Oct. 1 | Sept. 15 |
| [..]da Cycle ..... | 30c | Sept. 30 | Sept. 15 |
| [..]., pref. ....... | $1.25 | Sept. 30 | Sept. 15 |
| [..] Fairbanks, p. | $1.50 | Oct. 15 | Sept. 30 |
| [..] Bk. of Comm. | $2 | Nov. 1 | Sept. 30 |
| [..] Gen. Invest. | 12½c | Oct. 15 | Sept. 30 |
| [..] Perm. Mtge. . | $2 | Oct. 1 | Sept. 15 |
| [..] Cr. Store ... | 10c | Sept. 30 | Sept. 15 |
| [..]da Iron Fds. .... | $3 | Oct. 1 | Sept. 15 |
| [..]., pref. ....... | $3 | Oct. 1 | Sept. 15 |
| [..] Breweries, pf. | 75c | Oct. 1 | Sept. 13 |
| [..] For. Inv., pf. | ■$2 | Oct. 1 | Sept. 15 |
| [..]., com. ........ | $1.20 | Nov. 1 | Oct. 15 |
| [..] Wire Box A | 37½c | Oct. 1 | Sept. 15 |
| [..]., arrears .... | 12½c | Oct. 1 | Sept. 15 |
| [..]a Packers .... | $1 | Oct. 1 | Sept. 15 |
| [..] West'ghouse . | ■50c | Oct. 1 | Sept. 15 |
| [..] Patricia .... | 4c | Sept. 30 | Sept. 15 |
| [..]., extra ..... | 2c | Sept. 30 | Sept. 15 |
| [..]aco Gold ..... | 4c | Oct. 1 | Sept. 3 |
| [..]., extra ..... | 2c | Oct. 1 | Sept. 3 |
| [..] Bakeries, pf. | $2.50 | Oct. 1 | Sept. 19 |
| [..]ation C., 1 p. | †$1.25 | Oct. 1 | Sept. 19 |
| [..]nese of Amer. . | †50c | Sept. 30 | Sept. 16 |
| [..]., pr. pf. .... | †$1.75 | Oct. 1 | Sept. 16 |
| [..] ........ | †$1.75 | Jan. 1/42 | Dec. 16 |
| [..]., part. pfd. .. | †$3.50 | Dec. 31 | Dec. 16 |
| [..] Can. Loan ..... | $2 | Oct. 1 | Sept. 20 |
| [..] Converters ... | 50c | Oct. 31 | Sept. 30 |
| [..]s D. Std. Sec. p | 37½c | Dec. 15 | Nov. 29 |
| [..]sumers Gas ..... | $2 | Oct. 1 | Sept. 15 |
| [..]tered Trust .. | $1 | Oct. 1 | Sept. 15 |
| [..]mond Oils .... | 2c | Sept. 29 | Sept. 13 |
| [..] Bakeries ... | 15c | Oct. 1 | Sept. 20 |
| [..] Sand & Gr., p. | $2 | Oct. 15 | Oct. 4 |
| [..]n Life ........ | 3% | Oct. 1 | Sept. 30 |
| [..]n Trust ....... | $1 | Sept. 30 | Sept. 23 |
| [..]da Life ....... | $5 | Oct. 1 | Sept. 30 |
| [..]. Alcohol, p. .. | 10c | Oct. 15 | Oct. 1 |
| [..]inion Bank ... | $2.50 | Nov. 1 | Oct. 20 |
| [..]acona Pap. A B | 10c | Oct. 1 | Sept. 15 |
| [..]d & Frere, A . | 25c | Sept. 30 | Sept. 15 |
| [..]inion Glass .. | $1.25 | Oct. 1 | Sept. 15 |
| [..]., pref. ....... | $1.75 | Oct. 1 | Sept. 15 |
| [..] Foundries, c. | 25c | Oct. 1 | Sept. 20 |
| [..]nion Tar, p. | $1.37½ | Nov. 1 | Oct. 14 |
| [..] Textile ..... | $1.25 | Oct. 1 | Sept. 15 |
| [..]., pref. ....... | $1.75 | Oct. 15 | Sept. 30 |
| [..]e Mines ...... | ■50c | Oct. 20 | Sept. 30 |
| [..] Steel Prod., p. | 25c | Oct. 1 | Sept. 15 |
| [..] Washing, p .. | 17½c | Oct. 1 | Sept. 15 |
| [..]., arrears ..... | 17½c | Oct. 1 | Sept. 15 |
| [..]omic Invest. | ■62½c | Oct. 1 | Sept. 22 |
| [..] Can. Savings | $1.50 | Oct. 1 | Sept. 20 |
| [..] Twp. Tele. .. | 25c | Oct. 15 | Sept. 30 |
| [..]ers Trust ..... | $2 | Oct. 1 | Sept. 20 |
| [..]son Oil .... | ‡0.445 | Oct. 10 | Sept. 15 |
| [..]y Farmer .. | †37½c | Oct. 1 | Sept. 15 |
| [..] Motor, A, B .. | 25c | Sept. 27 | Sept. 6 |
| [..]ous Players .. | 25c | Sept. 27 | Sept. 6 |
| [..]enbridge N. .. | 5c | Sept. 29 | Sept. 9 |
| [..]dation Co. ... | 25c | Oct. 17 | Sept. 30 |
| [..]d Pumps, pref. | $2 | Oct. 15 | Oct. 1 |
| [..] Lakes Pap.. | | | |
| [..]. B. p. ........ | 25c | Oct. 1 | Sept. 22 |
| [..]eau Pwr. .... | 15c | Sept. 30 | Sept. 2 |
| [..], 5% pref. ... | $1.25 | Oct. 1 | Sept. 2 |
| [..], 5½% pref. . | $1.37 | Oct. 1 | Sept. 2 |
| [..]ning Wire .... | 15c | Oct. 1 | Sept. 15 |
| [..] West Life .... | $3.75 | Oct. 1 | Sept. 20 |
| [..] West Sadd., p. .. | 75c | Sept. 30 | Sept. 15 |
| [..]., 2nd pref. .... | 75c | Sept. 30 | Sept. 15 |
| [..]year Tire ..... | 62c | Oct. 1 | Sept. 15 |
| [..]., pref. ...... | 62½c | Oct. 1 | Sept. 15 |
| [..] Lakes Pwr., pf. | $1.75 | Oct. 15 | Sept. 30 |
| [..] Un. Theat. p | $1.25 | Sept. 30 | Sept. 15 |
| [..]e & Dauch .. | 12½c | Oct. 1 | Sept. 15 |
| [..]y Dew ...... | 50c | Oct. 1 | Sept. 15 |
| [..]ilton Cotton, p. | 50c | Oct. 1 | Sept. 15 |
| [..]., arrears ..... | 25c | Oct. 1 | Sept. 15 |
| [..]ith Paper, p. | $1.50 | Oct. 15 | Sept. 30 |
| [..] & E. Mtg. .. | 1% | Oct. 1 | Sept. 15 |
| [..]e Sound .... | †75c | Sept. 30 | Sept. 19 |
| [..]nger Cons. ..... | 5c | Oct. 7 | Sept. 23 |
| [..]., extra ...... | 5c | Oct. 7 | Sept. 23 |
| [..]y Gold ....... | 2c | Nov. 1 | Sept. 30 |
| [..]erial Life ..... | $3.75 | Oct. 1 | Sept. 30 |

## DIVIDEND NOTICES

### The Dominion Bank

**Dividend No. 236**

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st October, 1941, making a total distribution of ten per cent for the fiscal year. The Dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the first day of November, 1941, to shareholders of record of the 20th October, 1941.

By Order of the Board,

ROBERT RAE,
General Manager.

Toronto, 11th September, 1941.

### The Canadian Bank of Commerce

**Dividend No. 219**

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October 1941 and that the same will be payable at the Bank and its Branches on and after Saturday, 1st November next, to shareholders of record at the close of business on the 30th September, 1941. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 11th September 1941.

### The Shawinigan Water and Power Company

NOTICE is hereby given that a dividend of twenty-two (22c) cents per share has been declared on the no par value common shares of the Company for the quarter ending September 30, payable November 25, to shareholders of record October 24, 1941.

By Order of the Board,

H. G. BUDDEN,
Secretary and Assistant Treasurer.

Montreal, September 17, 1941.

### POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared this day the following dividends.

*6% First Cumulative Preferred Stock*

No. 65, quarterly, $1.50 per share.

*6% Non-Cumulative Participating Preferred Stock ($50 par value)*

No. 57, quarterly, 75c. per share. Payable October 15th, 1941, to holders of record at the close of business September 30th, 1941.

L. C. HASKELL, F.C.I.S.,
Secretary.

Montreal, August 29th, 1941.

## Dividends Declared (Cont'd)

| | | | |
|---|---|---|---|
| Inter. Bronze .... | ■37½c | Oct. 15 | Oct. 4 |
| Do., pref. ...... | ■37½c | Oct. 15 | Oct. 4 |
| Imperial Bank .... | $2.50 | Nov. 1 | Sept. 30 |
| Imperial Tobacco . | 10c | Sept. 30 | Sept. 5 |
| Do., pref. ...... | 3% | Sept. 30 | Sept. 5 |
| Int. Pap. & Pr. p. | †$1.25 | Sept. 27 | Sept. 19 |
| Int. Nickel, pfd. .. | †$1.75 | Nov. 1 | Oct. 2 |
| Indust. Accept. .... | 25c | Sept. 30 | Sept. 24 |
| Do., pref. ...... | $1.25 | Sept. 30 | Sept. 24 |
| Invest. Found., p. . | 75c | Oct. 15 | Sept. 30 |
| Int. Nickel, ...... | †50c | Sept. 30 | Sept. 2 |
| Int. Power, pref. . | $1.75 | Oct. 1 | Sept. 15 |
| Jam. Pub. Service | 17c | Oct. 1 | Sept. 22 |
| Do., pref. ....... | $1.75 | Oct. 1 | Sept. 22 |
| Kirkland Lake ...... | 5c | Oct. 29 | Sept. 29 |
| Lake of W Mill., c. | 20c | Oct. 1 | Sept. 15 |
| Landed Banking ... | 1% | Oct. 1 | Sept. 15 |
| Lamaque Gold ... | 10c | Oct. 1 | Sept. 10 |
| Lang, J. A. ...... | 17½c | Oct. 1 | Sept. 15 |
| Loew's London, p. | 27½c | Oct. 1 | Sept. 15 |
| Lava Cap Gold .... | †2c | Sept. 30 | Sept. 20 |
| Maple L. Gdns., p. | 40c | Oct. 15 | Oct. 1 |
| Marcus Loew's, p. | $1.75 | Sept. 30 | Sept. 20 |
| Do., arrears .... | $1.75 | Sept. 30 | Sept. 20 |
| Mtl. C. & D. Bank . | $3 | Oct. 1 | Sept. 15 |
| Modern Contain. ... | 20c | Oct. 1 | Sept. 20 |
| Do., extra ........ | 10c | Oct. 1 | Sept. 20 |
| Do., pref. ..... | $1.37½ | Oct. 1 | Sept. 20 |
| Moneta Porc. ...... | 2c | Oct. 15 | Sept. 30 |
| Montreal Tele. .... | 43c | Oct. 15 | Sept. 30 |
| Moore Corp. ...... | 55½c | Oct. 1 | Sept. 9 |
| Do., pref., A, B . | †$1.75 | Oct. 1 | Sept. 9 |
| McColl-Front. pfd. | $1.50 | Oct. 15 | Sept. 30 |
| Mtl. L. H. & Pr. .. | 37c | Oct. 31 | Sept. 30 |
| Murphy Paints ... | 20c | Oct. 1 | Sept. 19 |
| Do., pref. ..... | $1.37½ | Oct. 1 | Sept. 19 |
| Nan.-Dunc. Util. .. | 25c | Oct. 1 | Sept. 15 |
| New Eng. Pwr., p. | †$1 | Oct. 1 | Sept. 16 |
| Do., 2nd pref. . | †33⅓c | Oct. 1 | Sept. 16 |
| Nat'l. Grocers, pf. | 37½c | Oct. 1 | Sept. 15 |
| Nat. Steel Car ..... | 50c | Oct. 15 | Sept. 30 |
| Nat. Breweries ..... | 50c | Oct. 1 | Sept. 15 |
| Do., pref. ........ | 44c | Oct. 1 | Sept. 15 |
| Nat. Biscuit, c. | †40c | Oct. 15 | Sept. 16 |
| North Star Oil, pf. | 8¾c | Oct. 1 | Sept. 18 |
| N.S. Lt. & Pr., ord. | $1.50 | Oct. 1 | Sept. 15 |
| National Trust ...... | $2 | Oct. 1 | Sept. 20 |
| Niag. W. Weav. .... | 50c | Oct. 1 | Sept. 16 |
| Nor. Ont. Power .. | ■20c | Oct. 25 | Sept. 30 |
| Do., pref. ...... | ■$1.50 | Oct. 25 | Sept. 30 |
| Ottawa El. Rly. .... | 30c | Oct. 1 | Sept. 15 |
| Ottawa L. H. & Pr. | 15c | Oct. 1 | Aug. 27 |
| Do., pref. ...... | $1.25 | Oct. 1 | Aug. 27 |
| Ont. Loan & Deb. . | $1.25 | Oct. 1 | Sept. 15 |
| Ogilvie Flour, c. .. | 25c | Oct. 1 | Sept. 17 |
| Ottawa Can. Air. .. | 20c | Oct. 15 | Sept. 26 |
| Page Hersey T. ... | $1.25 | Oct. 1 | Sept. 15 |
| Pato Cons. Gold ... | 10c | Sept. 29 | Sept. 8 |
| Petrol Oil & G. .. | ■2c | Oct. 1 | Sept. 15 |
| Pioneer Gold ..... | 10c | Oct. 1 | Aug. 31 |
| Preston E. Dome .. | 5c | Oct. 15 | Sept. 30 |
| Pickle Crow ...... | 10c | Sept. 30 | Sept. 15 |
| Power Corp., pfd. | ■$1.50 | Oct. 15 | Sept. 30 |
| Do., 2nd pref. .. | ■75c | Oct. 15 | Sept. 30 |
| Para. Pictures .... | †25c | Oct. 1 | Sept. 12 |
| Do., 1st pref. .. | †$1.50 | Oct. 1 | Sept. 15 |
| Do., 2nd pref. ... | †15c | Oct. 1 | Sept. 15 |
| Porto Rico Pwr., p. | $1.75 | Oct. 1 | Sept. 15 |
| Premier Gold ....... | 2c | Oct. 15 | Sept. 15 |
| Price Bros pfd. | 1.37½ | Oct. 1 | Sept. 20 |
| Prov. Paper, pref. | $1.75 | Oct. 1 | Sept. 15 |
| Relief Arlington .... | 3c | Sept. 23 | Sept. 16 |
| Remington Rand . | †20c | Oct. 1 | Sept. 10 |
| Do., pref. .... | †$1.12½ | Oct. 1 | Sept. 10 |
| Russell Ind. ...... | 20c | Sept. 30 | Sept. 15 |
| Do., pref. ...... | $1.75 | Sept. 30 | Sept. 15 |
| R. S. Mills ...... | 50c | Oct. 1 | Sept. 10 |
| Saguenay Pwr., p. | $1.37½ | Nov. 1 | Oct. 15 |
| Sylvanite Gold ... | 7c | Sept. 30 | Aug. 16 |
| Simon & Sons .... | 15c | Sept. 27 | Sept. 13 |
| Do., pref. ...... | $1.75 | Sept. 27 | Sept. 13 |
| Sangamo | 25c | Sept. 30 | Sept. 25 |
| Sun Life Assur. .. | $3.75 | Oct. 1 | Sept. 15 |
| Sher. Williams, p. . | $1.75 | Oct. 1 | Sept. 15 |
| Do., arrears .... | $1.75 | Oct. 1 | Sept. 15 |
| Silverwoods ........ | 20c | Oct. 1 | Sept. 15 |
| Do., pref. ... .... | 20c | Oct. 1 | Sept. 15 |
| Stand. Paving, pf. | 31¼c | Oct. 15 | Oct. 4 |
| Stedman Bros., pfd. | 75c | Oct. 1 | Sept. 20 |
| Do., com. ........ | 15c | Oct. 1 | Sept. 20 |
| South Can. Pwr., p | $1.50 | Oct. 15 | Sept. 20 |
| Sheep Creek Gold .. | 4c | Oct. 15 | Sept. 30 |
| Simpsons, pref. . | $1.62½ | Nov. 1 | Oct. 17 |
| Stand. Fuel, pfd. . | $1 | Oct. 1 | Sept. 15 |
| Stand. Radio, A, B | 10c | Oct. 10 | Sept. 30 |
| St. Law. Corp., p. A | 25c | Oct. 15 | Sept. 30 |
| St. Law. Paper, pf. | 50c | Oct. 15 | Sept. 30 |
| Shawinigan W. ..... | 22c | Nov. 25 | Oct. 24 |
| Surf Inlet Cons. .... | 1c | Sept. 30 | Sept. 15 |
| Teck-Hughes ....... | ■10c | Oct. 1 | Sept. 10 |
| Tor. Gen. Trusts .... | $1 | Oct. 1 | Sept. 13 |
| Toronto Mortgage . | $1.25 | Oct. 1 | Sept. 15 |
| Tamblyn ........... | 20c | Oct. 1 | Sept. 17 |
| Do., pref. ....... | 62½c | Oct. 1 | Sept. 17 |
| Tip Top Tailors ... | 15c | Oct. 1 | Sept. 20 |
| Do., pref. ........ | $1.75 | Oct. 1 | Sept. 20 |
| Traders Finance, p. | $1.50 | Oct. 1 | Sept. 15 |
| Tuckett Tob., pfd. | $1.75 | Oct. 15 | Sept. 30 |
| United Fuel, p. .... | 75c | Oct. 1 | Sept. 20 |
| Un. Bond & Share | 15c | Oct. 15 | Sept. 30 |
| Do. ............. | 15c | Jan. 15/42 | Dec. 30 |
| Viau, pref ........ | $1.25 | Oct. 1 | Sept. 20 |
| Wabasso Cotton .. | 50c | Oct. 1 | Sept. 20 |
| W. Koot. Pwr., pf. | $1.75 | Oct. 1 | Sept. 22 |
| West. Grocers ...... | 75c | Oct. 15 | Sept. 20 |
| Do., pref. ....... | $1.75 | Oct. 15 | Sept. 20 |
| Weston, George, c. | 20c | Oct. 1 | Sept. 12 |
| Do., pref. ....... | $1.25 | Nov. 1 | Oct. 15 |
| Willson Stat., pfd. | $1.25 | Oct. 15 | Sept. 30 |
| Wilsil ........... | 25c | Oct. 1 | Sept. 15 |
| Wright-Harg. ..... | 10c | Oct. 1 | Aug. 21 |
| Do., extra ..... | 5c | Oct. 1 | Aug. 21 |

†Payable in U. S. funds.
■Subject to approval of Foreign Exchange Control Board.
‡Final distribution of capital. Subject to approval of Foreign Exchange Control Board.


FOR SALE

**Manufacturers Life**

**A. J. Pattison, Jr. & Co.**

Royal Bank Bldg., Toronto

EL. 5101


## NEW VICE-PRESIDENTS GRAIN EXCHANGE

**At the recent annual meeting of the Winnipeg Grain Exchange K. A. Powell (left), president of Hallet and Carey Ltd., and director of the Goderich Elevator Co., Ltd., and C. E. Graham (right), secretary-treasurer of Melady Sellers and Co., Ltd., were elected vice-presidents.**

# Food, Clothing Sales Licenses Ready Soon

By STAFF WRITER

OTTAWA.—Within a few days every post office in Canada will have available the new application forms which every merchant who handles food or clothing in any particular must obtain and return to the government.

The applications are to be returned to the government in connection with the plan to license more than 200,000 retailers, merchants, wholesalers and distributors throughout Canada.

The forms will be checked and tabulated in Ottawa as they are returned and each merchant or distributor will receive in due course his license card and a colored sticker to display in his window or front door.

It is expected that once the licensing plan becomes effective (probably about Dec. 1) no merchant or dealer in foodstuffs or clothing will be permitted to buy goods for resale without a license.

Included in the order are all clothing-stores from shoes to millinery and all drugstores, stationery establishments which sell even chocolate bars or soft drinks. Agricultural feed and seed stores will probably be included since they supply an element which enters into food.

## Two New Directors For Canada Packers

At the annual meeting of Canada Packers Ltd., two long-time employees of the company were added to the board of directors. George A. Schell, manager of the fertilizer and feed division, and Ford A. Wiggins, manager of the produce division replace the retiring directors and former vice-presidents—E. C. Fox and T. F. Matthews. The retiring directors have been associated with Canada Packers since its 1927 incorporation. Mr. Fox was formerly president of Wm. Davies Co. and Mr. Matthews was president of Canadian Packing Co.

At a directors meeting following the annual, officers were reelected as follows:

**President, J. S. McLEAN; vice-president, W. T. HARRIS; vice-president and general manager, N. J. McLEAN; vice-president and secretary-treasurer, S. G. BROCK; assistant secretary, C. WADGE.**

## DIVIDEND NOTICES

### Imperial Bank of Canada

**DIVIDEND NO. 205**

Notice is hereby given that a Dividend of two and one-half per cent (2½%) has been declared for the quarter ending 31st October, 1941, payable at the Head Office and Branches on and after Saturday, the 1st day of November, 1941, to shareholders of record of 30th September, 1941.

By order of the Board.

H. T. JAFFRAY,
General Manager.

Toronto, 10th September, 1941.

### Kirkland Lake

**Dividend No. 14**

A semi-annual dividend of five cents per share on the outstanding capital stock of the Company has been declared payable October 29th, 1941, to shareholders of record September 29th, 1941.

Taxes imposed on shareholders' dividends will be deducted where applicable.

By Order of the Board,

H. F. CASSIDY,
Secretary-Treasurer.

Toronto, August 29th, 1941.

### Bathurst Power and Paper Company Limited

**Notice of Dividend on Class "A" Shares**

The Board of Directors has today declared a quarterly dividend of twenty-five cents (25c) per share and in addition an extra year-end dividend of twenty-five cents (25c) per share on the Class "A" shares of this Company, both payable on the 1st day of December, 1941, to shareholders of record at the close of business on the 14th day of November, 1941.

H. J. Webb,
Vice-President and Treasurer.

### The Toronto Mortgage Company

**Quarterly Dividend**

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st October, 1941,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By Order of the Board,

WALTER GILLESPIE,
Manager.

4th September, 1941.

# Massey Plan Is Criticized

**No Organized Opposition Yet But Common Shareholders Object**

Evidence appears that not a few holders of common shares are critical of the Massey-Harris Co. reorganization plan outlined recently.

Spokesmen for preferred shareholders continue to favor adoption of the proposals. They feel that the way will thus be cleared for them to get some immediate return on their investment and appear well satisfied with the proposals.

Common shareholders, on the other hand, are critical. One line of reasoning followed may be summarized as follows:

1. There is no need for any reorganization if only shareholders would exercise patience and the company did not find it necessary to provide huge write-offs against receivables and foreign assets.

2. Liquid position of the company is inadequate and it needs the $600,000 annually now proposed to be paid in dividends.

3. Preferred shareholders, in getting a tax-free settlement of their arrears, are in reality getting a much more favorable deal than appears on the surface.

4. The plan does not give adequate protection against recurrence of arrears accumulations in the future while the programme of funded debt reduction is too slow.

# Quebec Enters Bond Market

From Our Own Correspondent

MONTREAL.—A. E. Ames & Co. head a syndicate offering $14,725,000 Province of Quebec 3½% sinking fund debentures at 97½ and accrued interest yielding over 3.75%. The debentures which are callable on and after Oct. 1, 1951, mature Oct. 1, 1953.

This is the second piece of financing carried by the government over the past year. The previous issue of $21.6 millions was offered in November, 1940; the long terms priced to yield 4.05% to maturity.

Improvement in the selling price of the province's debentures reflects the strengthening of provincial finances. The prospectus incorporates a letter by Hon. J. Arthur Mathewson, K.C., provincial treasurer, in which he points to an overall cash surplus in the five months ended Aug. 31, 1941, of $11.5 millions. "It is confidently expected," he says, "that the overall surplus for the year ending March 31, 1942, forecast in the budget will be realized."

**Overall Debt Lowered**

At the end of August 31, 1941, the province had total direct and other liabilities of $416.5 millions. This compared with the tentative figure of $426.5 millions on March 31, 1941. The figures for Aug. 31 include the present financing.

Proceeds of the current financing will be used by the province to refund loans aggregating $15 millions principal amount, less sinking funds, maturing Aug. 1, 1941, to Nov. 1, 1941.

The 3½% debentures will be a direct obligation of the province with principal and interest a charge upon the consolidated revenue fund. An annual sinking fund will be set up and amounting to at least 1% of the face value of the outstanding debentures.

## Commodities

Commodity markets h[a]  shown some irregularity, due perhaps to the unfavorable news of the fall of Kiev.

Farm products generally were a little easier. In some quarters it was felt they had advanced [out] of line with the supply situation. Especially was this felt as regards cotton.

While spot price indices mostly were [h]igher, Dow-Jones future index was lower.

| | Latest week | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle ............ | $9.50 | $9.75 | $8.75 |
| Hogs ............ | 14.65 | 14.65 | 12.00 |
| Copper, lb. ...... | .12 | .12 | .11½ |
| Cotton, lb. ..... | .1798 | .1859 | .0989 |
| Sugar, raw, lb. .. | .0360 | .0360 | .0270 |
| Wheat, Man. (bu.) | .72⅛ | .72½ | .69¾ |
| Coffee, lb. ....... | .09⅝ | .09⅝ | .05 |
| Hides ........... | .15 | .15 | .12 |
| **Weekly Indices** | | | |
| Canada (D.B.S.) ... | 92.4 | 92.1 | 83.0 |
| Do., Wood Gundy | 74.5 | 74.5 | 65.4 |
| U. S. Labor ........ | 91.6 | 91.0 | 77.9 |
| Dow Jones (future) | 81.90 | 83.39 | 51.74 |
| Fishers ........... | 98.5 | 98.4 | 81.9 |
| **Monthly Indices** | | | |
| Canada (D.B.S.): | | | |
| Retail (Aug.)* ... | 113.7 | 111.9 | 105.9 |
| W'sale (July) ... | 91.1 | 90.0 | 82.6 |
| U. S. (July) ....... | 88.8 | 87.1 | 77.7 |
| Gt. Brit. (July) | 153.2 | 152.4 | 139.7 |

Note:—The base of indices is that 1926 equals 100. *Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

Week in Wheat

# Unfavorable Weather Is Hampering Threshing

**Market Holds Slightly Above Minimum Price Basis — Little Low Grade Wheat Coming Out Yet But Proportion Believed High**

From Our Own Correspondent

WINNIPEG.—While continued rains have kept Manitoba threshing at a minimum for over a month, some progress continues in Saskatchewan and Alberta, except in the Peace River country. Wheat deliveries of from a million to a million and a half bushels daily have been made. The market continues at a level sufficiently over the wheat board initial basis to absorb the greater part of offerings in Saskatchewan. In Alberta, where wheat board prices are based on freight rates to Vancouver instead of to the head of the lakes it is only the lower grades of wheat which show a differential in favor of the open market. As a result a considerable part of the deliveries in that province are going to the Canadian Wheat Board.

Buying in the open market continues to be largely on account of Canadian mills. U. S. mills make limited purchases for milling in bond for restricted flour export. For this purpose Canadian wheat is much cheaper than anything they can buy at home.

Some buying to cover wheat to be shipped to Ireland has been recorded. There is also some slight volume of investment buying, and although there is no longer any necessary relation between the Winnipeg and Chicago market there appear to be some spreading transactions based on the theory that the differential between the two markets may be narrowed before long.

### *Durum at Premium*

One of the curious things about the current wheat market is the fact that No. 1 amber durum wheat has been selling fractionally above the price of No. 1 Northern. Durum wheat grades—largely used for macaroni—are ordinarily expected to sell at a discount, and the wheat board price list establishes such a discount. At times in the past they have commanded a premium, but as a rule only when a strong demand from Italy was reinforced by some export to the United States, and both of those markets are out of the question now.

Part of the explanation lies in the short supply of durum grades. Very little was carried over from last year, and threshing of this year's production has been delayed by wet weather in the southern part of Manitoba where most of the west's durum wheat is produced.

Manitoba farmers are losing their interest in durums. They went into it a number of years ago, in order to escape the ravages of rust which in parts of the province made growing of ordinary wheats far too great a risk, and they were encouraged by one or two years of premium prices when macaroni wheats were scarce relatively. But quite apart from the price discount which usually prevailed, farmers disliked growing durum wheat because of greater difficulty in handling it. It is a bearded wheat, and its straw is weak. With the development of Thatcher and other rust resistant varieties of bread wheat there has been a large switch of acerage from durum. Others have turned to hardy corn.

* * *

### *Feed Demand Eases*

Prices for coarse grains continued to recede this week from the high points previously recorded, although the levels registered are greatly in excess of those prevailing last year. Actually demand has not kept pace with earlier expectations, when a great deal wa[s] published about impending shortage of feed grain in eastern Canada. It would appear that eastern farmers have so far been in no great hurry to lay in stocks of western feed grains. Late rains apparently helped their feed situation.

* * *

### *Marketing Early*

On the other hand fairly generous supplies of coarse grains have been marketed, considering that over the greater part of Manitoba, where such grains are most plentiful, threshing has been at a standstill. There are two reasons for this. Farmers find the prevailing prices for oats and barley reasonably attractive and they may market them in unlimited quantities, whereas their deliveries of wheat are regorously restricted by quotas. Some farmers are planning to reverse their usual procedure, and sell their coarse grains while retaining their wheat to be fed.

It is interesting to note that last Saturday wheat marketings in the west were 1,586,000 bushels, compared with 5,629,000 bushels on the corresponding date a year ago. Of coarse grains, on the other hand, 865,000 bushels were marketed, as compared with 285,000 a year ago.

* * *

### *Low Grade Wheat*

While this year's wheat crop is expected to contain a large percentage of low grade wheat, this proportion is not yet showing up to any extent at the terminals or even country deliveries. In fact it is not yet possible to thresh the wheat where the greatest amount of weather damage has been done. Moreover until feed prices on coarse grains are more firmly fixed farmers are hesitant about selling their low grade wheat.

* * *

### *Southern Outlook*

Reports from the southern hemisphere indicate that Argentina is looking for a good wheat crop. Australian weather has been poor, but there is still sufficient time for rains to be received which would cause crop recovery.

Argentina has been managing to ship some small quantities of wheat to England. With the recent acquisition of some Axis ships it hopes to ship more, although the bulk of available space will probably be used for corn.

## Bathurst Pays Bonus on Stock

From Our Own Correspondent

MONTREAL.—Bathurst Power and Paper Co. has declared a bonus of 25 cents a share on the Class A stock, in addition to the regular dividend of 25 cents a share. Both are payable Dec. 1 to shareholders of record Nov. 14. Last year the company earned $1.97 a share and paid out in dividends only $1 a share.

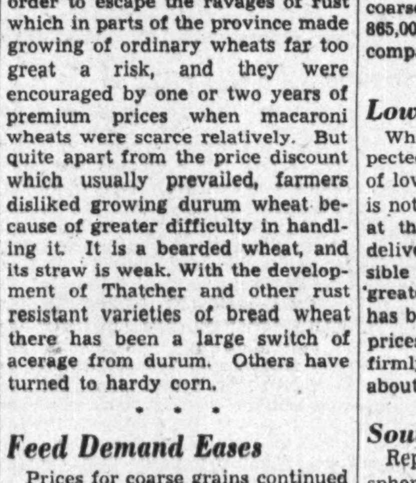
Currently profits are running well ahead of last year, net profit for the first half of 1941 amounting to $406,637, compared with $342,559 for the like period last year. This was equivalent to $1.02 a share, as against 86 cents in the first half of 1940.

# Special Taxes For War Homes

Following similar action in British Columbia and Quebec provinces, the Ontario government, through its Department of Municipal Affairs, has advised municipal authorities that it will introduce special legislation to deal with the municipal tax problem regarding Wartime Housing Ltd.

As Crown property the Wartime Housing projects are not subject to municipal taxes, their tenants may be taxed. But collection from tenants is difficult, does not furnish the municipality with property seizable in the event of non-payment, hence the Crown housing company has entered into tentative agreements with various municipalities. Wartime Housing would pay sums in lieu of taxes to the municipalities, which would be relieved of the burden of collecting from the tenants. Under present laws these agreements are beyond the powers of the municipalities and, to leap this barrier, special legislation will have to be introduced for the war period.

# Wheat Prices




### Cash Quotations

| | For Week Sept. 15 High | For Week Sept. 15 Low | Prev. Week High | Prev. Week Low |
|---|---|---|---|---|
| **Wheat:** | | | | |
| 1 Hard .. | .72½ | .72 | .73⅝ | .72½ |
| 1 Nor. .. | .72½ | .72 | .73⅝ | .72½ |
| 2 Nor. .. | .70 | .69½ | .70⅝ | .70 |
| 3 Nor. .. | .67⅞ | .67⅛ | .68¼ | .67⅝ |
| 4 Nor. .. | .66⅝ | .66⅛ | .67⅜ | .66⅛ |
| 5 Wheat . | .65⅛ | .64⅛ | .65⅞ | .65 |
| 6 Wheat . | .64⅛ | .63½ | .64⅞ | .64 |
| Feed .... | .58⅛ | .57⅝ | .58⅞ | .58 |
| **Oats:** | | | | |
| 2 C. W. . | .48⅜ | .46⅛ | .51⅝ | .49⅝ |
| 3 C. W. . | .46⅞ | .44⅝ | .50⅛ | .47⅝ |
| **Barley:** | | | | |
| 1 Feed .. | .51⅞ | .50⅜ | .57 | .52⅛ |
| 2 Feed .. | .51⅜ | .50⅛ | .56¾ | .51⅞ |
| **Flax:** | | | | |
| 1 C. W. . | 1.61½ | 1.53½ | 1.61⅛ | 1.50 |
| 2 C. W. . | 1.57 | 1.49 | 1.57½ | 1.46 |
| **Rye:** | | | | |
| 2 C. W. . | .64⅛ | .61⅛ | .65⅛ | .63¾ |

### Winnipeg Grain Futures

Week to Sept. 22, 1941

| Crop year from Aug. 1, 1941 High | Low | | Open Sept. 16 | High for week | Low for week | Close Sept. 22 | Close year ago |
|---|---|---|---|---|---|---|---|
| | | **Wheat** | | | | | |
| .76⅝ | .72⅛ | Oct. ........ | .73¼ | .73¼ | .72⅜ | .72⅜ | .70 |
| .78½ | .73⅝ | Dec. ........ | .74⅛ | .74⅛ | .73⅛ | .73⅛ | .71⅝ |
| .82¼ | 78 | May ........ | .79 | .79 | .78 | .78 | .75⅝ |
| | | **Oats** | | | | | |
| .50⅞ | .37¾ | Oct. ........ | .48⅛ | .48¼ | .44¼ | .44⅝ | .30½ |
| .48½ | .35⅛ | Dec. ........ | .45⅜ | .45¾ | .42¼ | .42⅜ | .28⅞ |
| .47⅞ | 38⅛ | May ........ | .45¼ | .45¼ | .41⅜ | .41¾ | .29⅝ |
| | | **Barley** | | | | | |
| .61⅜ | .47⅞ | Oct. ........ | .56½ | .57 | .53½ | .54¾ | .35¾ |
| .60⅝ | .46¼ | Dec. ........ | .56½ | .57 | .53⅜ | .54⅜ | .36⅛ |
| .60⅛ | .49⅜ | May ........ | .55¾ | .56⅝ | .53½ | .54⅝ | .37¾ |
| | | **Flax** | | | | | |
| 1.64 | 1.40¼ | Oct. ........ | 1.62 | 1.64 | 1.53 | 1.53 | 1.19¼ |
| 1.63 | 1.40½ | Dec. ........ | 1.60⅝ | 1.63 | 1.52 | 1.52 | 1.16¾ |
| 1.64½ | 1.43 | May ........ | 1.62½ | 1.62½ | 1.50¼ | 1.51⅛ | 1.16 |
| | | **Rye** | | | | | |
| .65⅞ | .53⅜ | Oct. ........ | .64 | .65¾ | .60¾ | .61⅜ | .43⅜ |
| .66 | .53⅜ | Dec. ........ | .63¾ | .64½ | .59 | .60⅜ | .44⅜ |
| .67⅜ | .51¾ | May ........ | .64⅛ | .66 | .61⅛ | .62⅜ | .46¼ |


# The Plight of the Wheat Grower

The wages now paid to industrial workers are higher than they have ever been in history. In addition such workers are receiving cost of living bonuses.

Farmers producing livestock products are similarly quite well off, but the Western wheat grower is in a bad way. The price of wheat is considerably lower than it was even in 1913-1914; farm costs of living and production have gone up 46% and the farmer receives no cost of living bonuses, yet he neither strikes nor stops production, nor "slows down". He is entitled, unquestionably, we suggest, to the most sympathetic consideration and assistance of the Government, and of all of us, for by producing a large reserve of wheat our wheat growers have made a signal and valuable contribution towards the winning of this war, and have provided the means of feeding the warstricken people of Europe when the peace comes once again.

**SEARLE GRAIN COMPANY, LIMITED**

WINNIPEG, REGINA, SASKATOON, EDMONTON, CALGARY, FORT WILLIAM, VANCOUVER

— RECLEANED WESTERN —

**OATS**

AND OTHER GRAINS

**BULK or SACKED**

All Grains Selected from Our Elevators in the Finest Growing Districts of Western Canada

*Prompt Shipment From Fort William*

*For Quotations Write or Wire*

**NATIONAL GRAIN Cº LTD.**

WINNIPEG

**McCABE BROS. GRAIN CO. LTD.**

WINNIPEG, MAN.

Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds

Country and Terminal Elevator Operators

Grain Merchandising

MANITOBA - SASKATCHEWAN - ALBERTA

Offices: DULUTH - MINNEAPOLIS

**FEDERAL GRAIN LIMITED**

OPERATING TERMINAL ELEVATORS • FORT WILLIAM • PORT ARTHUR • VANCOUVER

473 COUNTRY ELEVATORS THROUGHOUT THE WEST

101 COAL SHEDS

Our Service and Facilities Guarantee Satisfaction

**GRAIN MERCHANTS**

RECEIVERS • SHIPPERS • EXPORTERS

Owning and Operating Terminal, Transfer and Country Elevators Capacity 12,500,000 Bushels

MEMBERS Winnipeg Grain Exchange Chicago Board of Trade New York Produce Exchange and other Exchanges

Head Office, WINNIPEG · Private wires connecting offices across Canada

**JAMES RICHARDSON & SONS**

EST. 1857 LIMITED

Week in Mining

# Gold Fields Strong Spot But Market Apathetic

### Volume Dwindles as Traders Take to Sidelines Awaiting Further Developments in Russian Situation — Metal Exports Continue Gain

Although a strong rally occurred in shares of Malartic Gold Fields the first part of this week, the mining market in Toronto and Montreal generally showed new strength with many junior issues a shade lower. Malartic Gold Fields on its latest move failed to carry the market with volume dwindling perceptibly.

The international situation seems to have again taken the foremost position in traders' minds. Specific mine developments which have been not unfavorable are being shelved for the time being to be dug out when the war front once more appears more favorable. Possible future market developments, it appears, could come from: continued drilling success at Malartic Gold Fields; a final drafting of Steep Rock plans; a continuation of drilling success at Upper Canada's Queenston; or from increased earnings at MacLeod Cockshutt or Normetal.

*Metal Exports Gain*

With Canada's non-ferrous metal production hidden by a wartime censorship, details of base metal mining activity in this country are hard to secure outside of the profit and loss accounts of various base metal mining companies.

A good index to the present trend of metal production, however, is given by D.B.S. metal export figures. Exports of non-ferrous metals (excluding gold but including aluminum) totalled $19,888,000 in August compared with $17,854,000 for August, 1940. On the same basis, exports of $161,037,000 for the first eight months have been over $29 millions greater than for the corresponding period of 1940. From present indications, it appears that Canadian base metal production is headed for a new high this year unless metal export figures are seriously distorted by the inclusion of aluminum in the totals.

*U. S. Metal Bonus?*

There has not yet been any concrete evidence of a move in Canada to bonus extra production of copper and zinc but steps are rapidly being taken in that direction in the United States although basic metal prices are being held unchanged by means of priorities and strict rationing.

Chief attention in the United States is being paid to so-called marginal copper producers that possibly could increase their production granted a price higher than 12 cents a pound U.S. funds, the present price. Possibilities of rehabilitating other copper mines by a still higher bonus is also being investigated.

* * *

*Can't Get Much*

If the United States is forced to pay steep prices for further copper production it is possible that greater attention may be paid to Canada. In any event it appears likely that the United States will have to get much copper outside its own domestic field if demand for defense purposes is to be met. Estimates of additional production to be secured by bonusing production in the United States are not great.

While attracting less attention, the zinc situation in the United States is just as serious as that for copper. Investigations have been reported of zinc sales at over 15 cents a pound, double the fixed legal price. Stories are current of an early further advance in the price of zinc and that increased zinc production will be bonused at the same time as copper. An increase in the price of zinc would help some Canadian mines selling in the United States.

* * *

*Senator Better*

Complexion of affairs at Senator-Rouyn has taken a turn for the better after initial depth development proved rather disappointing.

After first work on the 750-ft. level had revealed lower than average grade ore for 80% of the first 500 ft. level of drifting, work since has boosted the ore total to 750 ft. of "practically continuous" ore, according to President Redmond Quain.

The last 50 ft. of drifting has shown strong ore, averaging $7.65 over drift width. At the last two points where the full horizontal width was disclosed, grade was $7.35 over 30.4 ft. and 25 ft. back, $9.10 across 19.9 ft. Ore in the hanging wall side of the drift has averaged $8.20 over 8.2 ft. for the last 50 ft. in drilling. Face assays for the last three rounds of the drift have been: $11.94 over 7.4 ft.; $5.10 across 7.1 ft.; and $13.85 across 7.7 ft.

*Howe Sound Drilling*

The Howe Sound Co. of New York, owners and operators of the Britannia Mine in British Columbia are drilling on the Chris Paris gold property at Snow Lake in the Morton lake area of northern Manitoba.

Morton lake lies between Cranberry Portage and Herb Lake. Drilling will continue until freeze-up under the direction of Frank Ebutt, in charge of operations. Drilling has also been resumed on the Thompson property on the north east arm of Schist lake, near Cranberry Portage. The most recent hole cut 35 feet of mineralized chalcopyrite. Work is proceeding on trenching the south ore zone which is overlain for some 400 ft. by 18 ft. of clay and boulders.

# Work On Zinc At Hudson Bay

### Pilot Plant Placed in Operation in Attempt to Better Extraction

From Our Own Correspondent

WINNIPEG.—A pilot mill with a capacity in excess of 10 tons daily is being tuned in at Hudson Bay Mining and Smelting Co's. plant at Flin Flon to treat the residue from the zinc plant.

Immediate reason for hurrying forward experiments in this connection is the urgency of the government's need for war-time metals, including zinc. The zinc plant at the company's property, while producing an electrolytic zinc, practically pure, does not extract anything like all the zinc which the ore contains.

**Residues Embarrassing**

For years the residue has been stock-piled at the plant awaiting the development of some method of further extraction. The stock pile has reached a size which in itself is becoming embarrassing. For several years experiments have been conducted, both by the company's own metallurgical men in the research laboratories at Flin Flon and also by outside metallurgists. Within comparatively recent dates a laboratory method has been worked out which it is hoped will prove successful.

**Several Metals Present**

The residue contains about 23% zinc, considerable gold, some silver, some copper, some cadmium and in fact everything the complex ore being treated by the company contains. The laboratory plan broadly is to treat the residue with sodium chloride. The greater part of the gold, silver, copper, etc., is then fumed off in the shape of chlorine compounds, and the metals contained in these chlorine fumes are precipitated.

**Zinc Recovered Next**

The material left comprises mostly zinc, iron and impurities and in another rather complicated heat treatment a considerable proportion of the zinc is recovered in the form of a zinc oxide of varying degrees of purity, the apparatus being designed in such a manner that the end product is practically pure zinc oxide. Thus the complex ore is made to return practically all of its constituent metals.

Should the pilot mill in this practical application prove up the commercial possibilities indicated in the laboratory tests, a plant many times its size will be erected through which will be passed the entire accumulated residue as well as the current daily residue from the plant.

# Old Records Disclose Queenston Values High

Current diamond drilling success at Queenston Gold Mines, recently formed to consolidate the old Murphy, Upper Canada and Elliott claims, may cause another combing over of old records by those who want to find a gold mine.

Nearly a score of years ago, Murphy Mines was getting results that might almost be considered sensational in these days with $38.50 gold. But a faulting problem was allowed to cause a suspension of work and even when the higher price for gold came, no one became interested enough to give the property another try until Upper Canada Mines formed the present company in July. Murphy shareholders secured one new Queenston share for eight old.

**Found Big Width Years Ago**

In the light of old drilling results, the wide ore sections secured in drilling at Queenston are not so surprising. Here is what an old mining handbook published in 1925 had to say about the situation:

"On surface, width (of the Margueretta zone) was 45 ft. At the 100-ft. level in No. 2 shaft, ore averaging $8 (at $20.67 gold) across a similar width was found and two diamond drill holes farther east showed good values."

At that time a crosscut put out 1,600 ft. from the 600-ft. level failed to secure similar widths and values comparable to those above. That was what caused work to stop. Other old drill holes farther west showed excellent values, it is known now, but part of the ore zone extended on to the Elliott and Upper Canada claims which had not then been amalgamated into Queenston.

**Zone 1,850 Ft. Long**

Possibilities are now seen of a wide ore zone 1,850 ft. in length if present drilling succeeds in filling in the gaps. A hole on the boundary of the Elliott claims at the extreme west end of the drilled length is stated to have returned $19 across 10 ft. on the basis of $35 gold. At a point 700 ft. to the east, a drill hole in the current drilling campaign brought up 73.4 ft. of core averaging $6.70 per ton. At 100 ft. east of this, the first hole in the present campaign returned 62.5 ft. averaging $6.09 per ton. Another hole has been put down a farther 100 ft. to the east for which assays are not yet available.

At 200 ft. east of the new hole, another old drill hole returned $14 across 37 ft. at the current price of gold. Out at the east end of the 1,850-ft. possible ore zone length, an intersection runs $6.60 over 5 ft.

With a shaft already sunk on the property to a depth of 630 ft., underground work will not involve a large capital outlay, it is believed. R. R. Brown, president of both Queenston and Upper Canada, has recommended further drilling to be followed by underground work. A total of 100,000 Queenston shares have been taken up by Upper Canada Mines at 25 cents a share to pay for this work.

# Lapa Cadillac's Position Better

### Ore Situation and Operating Results Both Show Improvement

Definite improvement has been shown in both the ore reserve and operating ratio positions of Lapa Cadillac Gold Mines in the last six months, The Financial Post is informed.

Development in the new north ore zone on the 290-ft. level—which is the level most fully developed so far—shows 400 tons of ore per vertical foot of better than mine average grade. Extraction is something of a problem but even with the present low extraction with the difficult ore a higher margin of operating profit is possible than was secured previously.

**Three Stopes at 290**

At the 290-ft. level, the No. 23 and No. 24 stopes have been opened up which are expected to make ore and the No. 25 stope which may make ore. An up hole from the 290-ft. level intersected the No. 24 zone 15 ft. below the first level running 1.41 oz. across 11 ft. while a down hole intersected the same ore zone with 11 ft. of core running 0.50 oz. per ton.

Work at the 165-ft. level has now come into the No. 24 zone and so has work on the 540-ft. level. Mill feed of 200 tons a day is being drawn roughly 60% from the 290-ft. level and balance from new development headings on the other two levels. So far mill heads from the north zone has averaged $8.59 a ton. Recovery is only around 70% but with operating costs averaging $3.78 a ton last year, a fair margin of operating profit is possible.

**Storing Tailings**

Tailings which will carry over $2 a ton are being stockpiled for future treatment. Tests are now being carried on at various places to determine the best method to improve extraction which is difficult because of arsenic content of ore from the north ore zone.

It is now thought possible that production will average between $1,000 and $2,000 a day with a record day's output of $1,697 on Sept. 17.

The company was able to develop its new north ore zone without carrying out any new financing. At the end of July, current assets were something over $50,000. While current liabilities were close to the same amount, around $15,000 to $20,000 is understood to be more in the character of advances or deferred liabilities. Cash and bullion then were equal to quick liabilities.

On the present basis, it is anticipated working capital will show a slow but steady improvement.

## Lakeside Kirkland Resumes Operations

Operations are now being resumed at Lakeside-Kirkland Gold Mines, located in the eastern Kirkland Lake section immediately east of the Kirkland Eastern property. Surface exploration recently has encountered three mineralized shear zones 1,500 ft. west of No. 2 shaft and further work is being carried out there.

Workings at the No. 1 shaft are also being unwatered preparatory to a sampling and diamond drilling campaign at the 300-ft. horizon. Results of this work will allow formation of a programme for the No. 2 shaft, it is stated.

Seventh Malartic Mines has stepped up exploration programme by adding another shift to its diamond drill crew.

# Gold Frontier Gets Ore On New Third Horizon

Shaft sinking had reached a depth of 430 ft. at Gold Frontier Mines on Sept. 20 on its way to its objective at 500 ft., The Financial Post is informed, and it is anticipated that a programme of underground development will be going forward at both the 350 and 475-ft. levels before long.

First work at the 350-ft. level has revealed ore values in a brecciated zone which did not make ore on the upper horizons and the No. 1 vein—the chief ore maker above—has yet to be reached at this horizon. The brecciated zone shows a width of 14 ft., averaging 0.275 oz. gold. The west wall ran 0.346 oz., backs were 0.113 oz., and the east wall averaged 0.367 oz. Successive improvement has been noted in the brecciated zone level by level. At the first level the zone did not appear important, at the second level it showed 120 ft. running 0.09 oz. over 15 ft. which was below ore grade but it has now made ore at the 350-ft. level.

**Ore Grade 0.51 Oz.**

Indicated and probable ore down to the 230-ft. level is now estimated at 28,276 tons averaging 0.51 oz. gold per ton, contained in eight ore shoots. The ore occurs as lenses in veins, it has been found.

Surface prospecting has traced a new north break for a length of 3,300 ft., paralleling present work at roughly 700 ft. north of the shaft. One length of 150 ft. with a width of 3 ft. is stated to be "defin[itely] commercial." Numerous other [val]ues have been secured in tren[ches] along the zone but so far ins[uffi]cient work has been done to [link] them up into ore shoots. Surf[ace] work is continuing and fur[ther] trenches are to be put down.

**Drill From Surface**

Work is progressing slowly, [how]ever, due to rain which has b[een] almost continuous. One new t[rench] near the west end of the zone [ran] 1.1 oz. across 5 ft.

A drill hole is now being [put] down on what is known as [the] arsenical vein which showed [a] length of about 50 ft. at surface [run]ning 0.23 oz. across 7 ft. but wh[ich] was not picked up in work at [the] first level. If the current hole [is] successful in picking it up, o[ther] deeper holes will be put down [to] determine the vein's character.

Site for the mill is being clea[red], it is stated. A 125-ton cyanide [mill] was purchased some time ago.

**SMELTERS IN BARRAUTE?**

According to reports from [the] Barraute field this week, Cons[oli]dated Mining and Smelting Co. [is] carrying on negotiations on a bl[ock] of ground. The block on which [the] deal is reported pending is loca[ted] northwest of the Fred Thomp[son] property on which Hollinger Co[n]solidated is carrying on a dri[lling] programme.

# Week in Oil

***Major 2 Great Well***

From Our Own Corrrespondent

CALGARY.—All indications now point to Major Oil Incomes No. 2 well as one of the greatest wells ever brought into production in Turner Valley—if not the best. This well which showed a flow of 24 bbls. hourly on its first completion stepped up its flow to 38 bbls. hourly after the application of 750 gallons of mud acid. A further application of 2,300 gallons of regular acid increased the flow to 80 bbls. hourly with 847 bbls. of oil turned out in between eight and nine hours.

This places the Major No. 2 well in the 2,000-barrel a day category on the basis of acidization so far carried out. At the time of writing it was not known if other acid treatments would be given but it seemed likely. Other adjacent wells have been given over twice as much acid treatment to that so far given the Major No. 2 well.

* * *

***Major 3 Hits Lime***

Second only in importance to Major 2 in the late Turner Valley news is the announcement that Major No. 3 well has contacted the limestone at a relatively high elevation. This gives evidence that the Turner Valley field will likely be extended further north again and that other Major wells in the vicinity will find the limestone without difficulty.

Ace Royalties No. 1 extension test quarter of a mile south of Major No. 2, is now on conservation board 10-day productivity test preparatory to settling of the initial allowable. For the test the well is being operated under strong back pressure, with daily oil yield ranging between 1,000 and 1,050 bbls. per day. Gas-oil ratio is very satisfactory, being around 700 to 800 cu. ft. per bbl. Ace, which showed an initial flow of 36 bbls. hourly, received acid treatments totalling 6,500 gallons, and had a flush yield after acid in excess of 2,000 bbls. per day.

* * *

***Miracle at 1,000 Bbls.***

Miracle Royalties No. 1, extension test placed on production August 2 with an initial of 33 bbls. hourly, is also now on 10-day productivity test, operating under strong back pressure at around 1,050 bbls. per day. The Miracle well was given only 1,000 gallons of acid, and also showed a post-acid flush exceeding 2,000 bbls. per day. The gas-oil ratio is, like that of Ace, only 700 to 800 cu. ft. per bbl.

Major No. 2, Ace and Miracle provide a wonderful addition to the Turner Valley productive capacity, and will be important factors to maintaining a high rate of production during the next few months, when the number of valley completions will be somewhat less than during the three months just past.

* * *

***"Reserve" Building Up***

As these three wells, together with four recently completed wells in the central and south sections of the field, will be receiving initial regular allowables in the October schedule, and as the field allotment will be continued at the present 26,000 bbls. per day, the three extension wells are not likely to receive October allotments nearly as large as their indicated "maximum efficient rates". As a matter of fact, in the general reduction of allotments of older wells to provide for the new producers, a number of other wells will also be given October allotments somewhat below their maximum efficient rates.

In October, November and December, however, it is expected that the reduced number of completions will not be adequate to offset the normal decline in productivity of older producers. The wells, therefore, that are capable of higher rates of production will gradually be opened up to permit maintenance of the 26,000 bbls. allowable during the winter months.

* * *

***South End Producer***

Most southerly well yet to reach the Madison limestone in Turner Valley, Northwest Hudson Bay No. 6 completed drilling. The well was cleared and placed on production during the week end with an initial oil flow of around 10 bbls. hourly. Tubing has been run and it is expected that the initial acid treatment will be applied shortly. Northwest H. B. 6 is located in L.S.D. 7 8-18-2w5, three eighths of a mile southeast of Northwest H. B. 5, the field's former most southwesterly producer. There is every reason to believe that the new completion will be a better than average producer.

It is understood that the heavy duty rig from No. 6 will be shifted from the south end of the field to the north extension, probably to the Foothills No. 11 site, offsetting Major No. 2 to the east.

# *Now Is the Time to Plan For Postwar, Speaker Says*

The need for industrialists to start planning now to cushion the economic repercussions of the war was emphasized by Albert Jarvis, Toronto advertising man, speaking before the delegates to the National Industrial Advertisers Association Convention in Toronto. He said that, while many people thought it idle to speculate on what might happen after the war, much valuable work could be done to meet circumstances which seem almost inevitable.

If industry wished to avoid exacting government control, it must be prepared to meet emergencies by planning constructively now, he said.

Profound changes in our present set-up were inevitable but there were already indications that in Great Britain manufacturers were foreseeing the need for co-operative market development even to the point of rationalized production and sales. In this connection he mentioned the exhibit at the Canadian National Exhibition by a group of 40 firms engaged in the leather and shoe industry in Britain. In this way many smaller and larger concerns would, in future, be able to adapt their products and their methods to the Canadian market.

In the United States there had been talk of governmental pressure, either in the forms of taxation or legislation on advertising. "It is strange," said Mr. Jarvis, "that in Great Britain, where present day conditions were even more acute, no real serious thought of hampering advertising had manifested itself."

Today many firms were stressing their contribution to the war's effort through their products. One practical suggestion would be to include in campaigns some indication of how war activities would improve post war products. New equipment in factories would inevitably create more effective products. This was a facet of advertising today which was being overlooked, he suggested.

He urged American advertising men to study British advertising psychology. Whatever plan for developing export markets might arise after the war they would then be able to create advertising for Empire markets in the way that would appeal to Empire people.

British advertising tended to glorify "realism." North American advertising glorified "facts." While, under ordinary circumstances, he deprecated comparisons between American and British advertising methods, on the basis that they were appealing in entirely different mental environments, he did feel that something of real postwar value could be learned by the advertising men on each side of the Atlantic from the other.

# G. Eagle Profit Shows Increase

### Results From Cessation of Exploration — Material Salvage Proceeds

Preparations are being made for finishing mining at Gold Eagle Gold Mines, the quarterly report for three months ended July 31, 1941, reveals.

One immediate result is an increase in the quarterly operating profit to $20,970 due to cessation of exploration. August is expected to show an additional operating profit, the report states.

**Working Capital $213,830**

Due to operating profits realized, working capital shows an increase of $24,764 to $213,830 between April 30 and July 31, 1941. Salvaging of underground material is now proceeding satisfactorily, it is stated.

As outlined at the last shareholders meeting, it is planned to seek a new property while holding the company's fixed assets intact. If the search proves successful, any new undertaking will be submitted to shareholders for approval.

As the mine nears the end of operations, costs have been reduced to $5.25 per ton.

## Distillers-Seagrams Extends Option

Balance of option granted to Frank R. Schwengel on July 28, 1936, comprising 9,800 common shares of Distillers Corporation-Seagrams Ltd. at $22 a share, Canadian currency, which was exercisable by July 31, 1941, has been extended with approval of the Foreign Exchange Control Board until July 31, 1942.

# Abitibi Net Up In August

### Clarkson Forecasts Jump of 10,000 Tons in September Newsprint

Abitibi Power & Paper Co. reports net earnings for August this year at $866,139. This is subject to charges for depreciation, bond interest of $296,641 and income taxes and compares with $802,325 in Aug., 1940, and $775,152 in July this year.

For the first eight months this year Abitibi reports net earnings of $5.5 millions compared with $5.2 millions for the same part of 1940 a gain of 5.73%.

Included in the latest month's earnings is $143,442 received as premium on U. S. exchange.

G. T. Clarkson, receiver and manager, estimates that newsprint shipments in September will reach 49,800 tons, a gain of 10,000 tons over August and about 12,000 tons over Sept., 1940. Such a gain would come close to wiping out the decline of about 15,000 tons reported in the first eight months this year.

Shipments of bleached sulphite pulp for September are forecast at 8,600 tons, which would compare with 6,368 tons in Sept., 1940, and 9,067 tons in August this year.

| | 1941 | 1940 |
|---|---|---|
| **Monthly Earnings** | $ | $ |
| August | 866,139 | 802,325 |
| 8 months | 5,490,423 | 5,192,673 |
| **Newsprint Shipments** | Tons | Tons |
| August | 39,937 | 38,655 |
| 8 months | 273,874 | 289,603 |
| **Bleached Sulphite** | Tons | Tons |
| August | 9,067 | 7,133 |
| 8 months | 57,225 | 50,552 |

## Can. Foreign Invest. Boosts Common Rate

Canadian Foreign Investment Corp., which controls Brazilian Portland Cement Co., has declared a dividend of $1.20 a share on the common stock, payable Nov. 1 to holders of record Oct. 15.

This is the second dividend paid by the company this year, the first amounting to 70 cents a share payable on May 1.

The company has no set dividend rate. So far declarations total $1.90 for 1941, which compares with $1.40 for all of 1940 and a like amount for 1939.

## Two New Chrysler Products Are Revealed

***DODGE FOR 1942 —***

Here is the new Dodge Special De Luxe six-cylinder passenger coupe for 1942. Heavy broad fenders, long horizontal grille bars and massive bumper design emphasize the appearance of lowness and greater width. The concealed running boards are level with the floor. The frame is longer and more massive, carrying the entire body at a lower level. Four body types and eight body colors are available in both the Dodge De Luxe and Special De Luxe models.

***THE NEW PLYMOUTH —***

Features of the new 1942 Plymouth include a wider and lower-set body to give still greater room and stability. To add longer life and economy of operation, engine revolutions per mile have been reduced with a resultant saving in gasoline. A new type oil filter gives additional protection against dirt. Chromium has been used extensively. Shown here is the new Special De Luxe four-door sedan.


Envelopes for every purpose
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

Many smart and distinctive fabrics have now arrived for Fall and Winter wear. Overcoatings — Suitings — Materials for Sport Wear — Evening and Day Dress.

May we have the pleasure of showing you these importations?

Levy Bros.

69 KING STREET WEST, TORONTO

In a hurry to get things done?..

TCA SPEEDS THE NATION'S BUSINESS

▶HALIFAX - MONCTON - MONTREAL - OTTAWA - TORONTO
WINNIPEG - REGINA - LETHBRIDGE - VANCOUVER
2 Flights Each Way — Every Day

▶TORONTO - NEW YORK - - - 2 Hrs. (Non-Stop)
3 Flights Each Way — Every Day*
*2 Flights Saturday from Toronto, Sunday from New York

▶MONTREAL - OTTAWA - TORONTO - 2 Hrs. 30 Mins.
5 Flights Each Way — Every Day

TORONTO - LONDON - WINDSOR - - 1 Hr. 35 Mins.
2 Flights Each Way — Every Day

Twin-Engined Lockheed Air Liners — Last Word in Air Travel
Stewardess Service — Refreshments aloft

TRANS-CANADA AIR LINES

For Information and Reservations:
any local T.C.A. Traffic Office or Travel Agent

AIR MAIL - PASSENGER - AIR EXPRESS

LARGEST CIRCULATION IN CANADA!

● Circulation data, columns of figures, rates and breakdowns *are* important. But even with your Data Book closed there is one medium that stands out far above all others . . . the half a million circulation offered by the Star Weekly. It's the biggest circulation in Canada. As such it offers unequalled opportunities. A closer inspection of rates and readership will repay *any* advertiser.

THE STAR WEEKLY

PUBLISHED AT 80 KING ST. W., TORONTO, CANADA
Montreal Advertising Office: University Tower.
U. S. Representatives: Chas. H. Eddy Co., Inc., New York, Chicago, Boston, Atlanta

# North Turner Valley—Bright Spot in Alberta Oil

## Big New Wells and Important Tests Are Focusing Interest On The "North End"

***Recent developments in the "north end" of Turner Valley are the most striking Canadian oil news since the discovery of crude oil back in 1937.***

***This article analyzes those developments and weighs the implications for the future.***

By GORDON M. GRANT
Staff Writer, The Financial Post

Pushing back frontiers in the search for oil still goes on in Alberta. While new oil "strikes" are reported in the Twin River and Lethbridge areas, attention is chiefly being focussed on north Turner Valley where drilling has been making oil history for well over a year.

Key developments, briefly, are as follows:

**Completion in hitherto unexplored north end acreage of the best wells ever brought into production in Turner Valley.**

**Continuous extension of the field northward with the northern limit not yet indicated.**

**Encouragement of operators to drill for oil production many miles farther to the north again, far above proved acreage."**

Home Oil started the north end excitement when it completed the Valley's most northerly and best well, Home Millarville No. 2, on Jan. [illegible] 1939. That now becomes a historic date. Since then Home has drilled a string of successful producers while Alberta Oil Incomes No. 2 and Major Oil No. 2 wells, sponsored by C. C. Cross & Co., have been pioneers farther north again. Oil Incomes and Major wells have effectively laid the ghost of the old theory of an early limit to Turner Valley to the north.

If any proof were needed that there is as yet no northern limit to Turner Valley, it is given by Major Oil No. 2 well completed last week. Without any acid treatment whatever, this well, farther north than any other Turner well, has shown its ability to turn out 600 bbls. daily. After acidization, it is expected the well will be among the half dozen largest producers in the field.

**New Tests Going Down**

Further development in north Turner Valley has not awaited completion of Major No. 2 or other recently finished wells. Two legal subdivisions to the north and one west—or about half a mile northwest—Major No. 3 well is nearing completion with the limestone expected around 7,700 ft. depth. A quarter mile north of Major No. 3 well again, Major No. 4 well is around the 4,000-ft. horizon.

Ace Royalties and Miracle have completed wells of the 1,000 bbls. a day variety in the vicinity of Major No. 2 and the Imperial interests have now arranged to drill a whole string of wells in the same locality.

Pioneering has not stopped in the Major No. 2 vicinity, however. The Atlas-British Dominion No. 2 well is being put down a good mile to the northwest of Major No. 3. This well has been logging perfectly and has encountered the important grit bed. Successful completion of this well would likely mean a host of new drilling sites made available.

**To Drill Five Miles Away**

Still farther northwest again, an even more important test will be undertaken—Major No. 5 well. This well is located about five miles northwest of Atlas-British Dominion No. 2 and its successful completion would be of tremendous importance to Home Oil which holds the intervening ground. A road is now being cut into this location and the water and gas lines have been laid in readiness for drilling.

The fact that north end wells have not been particularly deep is of importance; cost of wells is not too great despite rising costs generally. Turn-key cost of wells is around $178,000 to 8,200 ft. depth.

In view of success attending the programmes of Major Oil, Ace Royalties and Miracle, it appears that Home Oil may soon turn its attention to the acreage it holds farther north. The company is in the enviable position of gradually having its ground proved up by work other people are doing.

**Reserve Capacity Boosted**

One concrete result is already making itself felt from the north end drilling. Reserve capacity being built up in the Turner Valley field due to north end drilling will help keep the Calgary pipe line filled this winter. Some go so far as to say that north end drilling may give enough reserve productive capacity to force greater pipe line capacity to Calgary where refineries could handle a greater volume of Turner Valley crude than is at present being turned out. This remains for the future to decide, however.

Tendency so far has been to take almost all the production the north end wells will yield. That is because these wells are very efficient operators. Their gas-oil ratios are satisfactory; the amount of gas required to lift a barrel of oil remains small. Statistics reveal, too, how north Turner Valley now has the cream of the area's producers. The Alberta Conservation Board, show that during July, 23 wells in the north end (in Townships 20 and 21) had an average production of 480 bbls. daily. This compared with an average of only 148 bbls. daily for the south and central sectors where many of the wells are not now large producers due to decline in production with age.

**Finding Big Wells**

September allowable for Alberta Oil Incomes No. 2, which was the most northerly producer when the September allowables were set, was 627 bbls. daily. Since the September allowable was set, Ace Royalties Miracle No. 1 and Major No. 2 wells have come in as producers to the north of the Oil Incomes No. 2 well. Indications at each suggest a daily production of 1,000 bbls. or better a day when acidization is finally completed.

Preparations are well in hand for the drilling of a large number of new Major Oil Investment wells. It looks like a dead heat as to whether the Major Oil group or the Imperial group will do the most drilling the next few months. The Imperial wells are drilled by Royalite, chiefly on Foothills acreage. Preparations have now been made for drilling the Major 6, 7, 8, and 9 wells. The No. 6 well is already rigged up; roads have been cleared and collars started for the No. 7 and 8 wells; and location has just been made for Major 9 well.

Major No. 6 is the immediate west Major No. 6 is the immediate west offset to Major 3; Major 7 is the west offset to Major 4; and Major 8 will offset Major No. 2 to the north. Major No. 9 is over to the east in the south part of township 4.

**Could Have Big Effect**

With all these new wells—and those of the Imperial interests—fairly close to the producers, it seems that a large increase in the production possibilities will be shown in a relatively short period. Ten 1,000 barrel wells could boost productive capacity of the field by a third.

So far it has been the Major Oil, Imperial Oil, Oil Incomes, Ace Royalties and Miracle which have been doing the far north drilling. Home has yet to be heard from in this sector but unconfirmed reports have it that Home too will soon step up its drilling campaign by going after its more northerly acreage. Delayed settlement of the tax situation, of course, might hold up extension of the Home drilling programme.

**Few Hold Acreage**

Most of the north end drilling for some time to come seems likely to be chiefly confined to the Imperial Oil, Home Oil, Major Oil and Atlas interests. They had either the good luck or good judgment to hold most of the "close in" acreage covering the projected northern extension of the Turner Valley field. If development at Major No. 5, far to the north, should prove successful, the smaller operators will undoubtedly have their innings again. Ground up that way is held by a large number of groups which would conceivably undertake drilling if the field is proved to extend up that far.

**Operating Tank Farm**

The wells of the Major Oil group are the only ones in Turner Valley to undertake the operation of a "tank farm." The Major Nos. 2, 3, 4, 6, 7, 8 and 9 wells are all to be operated as a unit in taking production. This means just one separator man instead of seven and a real saving of expense money is anticipated, also greater production efficiency. Major No. 2 well too saved several thousand dollars and three weeks drilling time by drilling without setting drill casing; running production string of casing later after the well was completed. Some operators feared possible difficulties without the use of drill casing but the well has a 9-inch hole at the bottom instead of the 5⅞-inch hole which would have been normally drilled. If the 9-inch hole gives exceptional results, other wells may be drilled the same way. As the well was drilled on a turnkey basis (i.e. with the drilling contractor guaranteeing completion), the driller took the chief risk of any difficulties that might be encountered more than the royalty holders.

**How Wells Financed**

Home and Royalite are expected to continue to finance their own north end drilling from their own resources. Drilling by C. C. Cross & Co. and associated interests will continue to take the form of sale of oil royalties. An increasing amount of oil royalties has been sold in eastern Canada. In fact, so far most of the money for drilling the Alberta Oil Incomes and Major wells has come from eastern Canada, largely from the Toronto district.

Decision of the Ontario Securities Commission to allow trading in oil royalties "ahead of the drill" has allowed a regular street market in oil royalties to develop in Toronto and a number of steps have been taken in recent months to allow this business to expand. C. C. Cross & Co. and associates act as "wholesalers" for royalty issues which allows secondary distribution of oil royalty issues by other houses which either would not be able to undertake the full expense of drilling a $200,000 well or which might not be able to secure the requisite acreage for drilling.

Dealers have combined to set prices on "open market" dealings in oil royalties so that prices quoted by different firms will show no great variation.

# Mining Consentrates

**Amalgamated Kirkland Gold Mines** has called a special meeting of shareholders for September 29 to secure approval of an extension of the financing agreement with W. J. McDonough, now being participated in by Ventures, Sudbury Basin Mines, International Mining Corp. and Macassa Mines. Shareholders will be asked to approve sale of 20,000 shares at 25 cents to W. J. McDonough and the granting of an extension of the time for payment on 780,000 shares. A further 700,000 shares are also under option at 50 cents a share and are to be taken up at such time as may be reasonably required for the operation. A crosscut is now being driven from the Macassa workings for exploration of the Amalgamated Kirkland property.

• • •

**Consolidated Smelters** shares, totalling 57,000, recently offered by a syndicate of Toronto and Montreal houses have been sold and the books closed. The block consisted of shares requisitioned from United Kingdom holders on October 26 for repatriation.

• • •

**Chromium Mining & Smelting Corp.** bonds are being exchanged for new shares on the basis of 20 new shares for each $100 par value of bonds up to November 12, 1941. Supplementary letters patent have now been issued consolidating the share capital on the basis of one share for ten old.

• • •

**Central Cadillac Mines** is starting on exploration of a new sixth level at 575 ft. depth. A main drift is to be driven between the favorable zones to allow for exploration.

• • •

**Delnite Mines** has started work on its new 1,625-ft. level.

• • •

**Darkwater Mines** balance sheet as at June 30, 1941, shows current liabilities of $8,595, including $8,509 of demand loans, against current assets consisting of $4,847 cash. Loans were reduced from the $33,107 reported on March 31, 1940, by sale of practically all the movable equipment and supplies. With no exploration carried on, the company's unpatented claims have been allowed to lapse. The war and the company's financial position force the company to remain inactive.

• • •

**Gunnar Gold Mines** is stated to have opened up 130 ft. of continuous ore of better than mine average grade in drifting on the new 1,875-ft. level. What is believed to be the downward extension of this ore is being drifted on at the 2,000-ft. level where a length of 35 ft. has been opened up. A mining plant is now being taken in to the company's Rockland Ogama group where a programme of underground work is planned. Diamond drilling is also under way on the company's other new group. These two new properties were acquired by option and staking and are located a few miles from the main Gunnar property.

• • •

**Howey Gold Mines** has declared a dividend of 2 cents a share payable Nov. 1 to shareholders of record September 30. A similar amount was distributed May 1.

• • •

**Maple Leaf Mines & Securities (1936) Ltd.** shareholders will be asked at a special meeting on September 25 to approve a resolution converting assets into cash and distributable prorata among shareholders. Charter of the company will be surrendered if distribution of assets is approved.

**Pioneer Gold Mines** has taken an option on a 60% interest in Snowshoe Gold Mines. By agreement an option is granted on 1,333,625 unissued shares at 11 cents per share. A separate agreement between Pioneer and Wells Mining Corp. interested in Snowshoe provides for an option on a further 466,375 shares of Snowshoe at the same price. Shares are to be taken down 25,000 shares monthly under each of the agreements. Arrangements are made for retirement of Snowshoe indebtedness.

• • •

**Relief Arlington Mines** has declared a dividend of 3 cents a share payable September 23, 1941, to shareholders of record September 16. The last previous dividend was one of 5 cents a share on September 23, 1940.

• • •

**Robb-Montbray Mines** shows an improved financial position in its report dated June 30, 1941. Cash on hand increased to $12,198 on June 30, 1941, from $257 on March 31, 1940, through repayment of advances made some time ago to Darkwater Mines. Current liabilities were reduced from $244 to $60. A total of $5,000 of advances remains payable by Darkwater Mines plus a further $3,509 interest not taken into Robb-Montbray books. A total of 263,067 shares of Darkwater Mines shares held by Robb-Montbray are taken in at $1.

• • •

**Wingold Mines** shareholders have been notified by the liquidators, The Trusts and Guarantee Co., to forward shares to be exchanged for cash, San Antonio and Forty-Four Mines shares. Basis of exchange is one share of San Antonio for each 32 Wingold, one share of Forty-Four for each six shares of Wingold and a cash payment of one twentieth of a cent per share of Wingold.

# Proprietary Finally Ends Litigation With MacKays

One of the longest-drawn out legal battles in Canadian mining history reached an end last week with the announcement by Kenneth F. Mackenzie, president of Proprietary Mines, that an out-of-court settlement had been reached with Dr. George A. MacKay and his brothers, R. W. MacKay and Robert I. MacKay. The MacKays originally commenced litigation in 1935.

Mr. Mackenzie states that while directors were reluctant to make a settlement while a petition to wind up the company launched by R. W. MacKay and Robert I. MacKay was still before the courts (with little chance of the petition succeeding in the company's opinion), officials felt justified in making the settlement since it was virtually an acceptance of the company's terms and as the petition and the claim of Robert I. MacKay to certain shares of Proprietary stood in the way of payment of dividends.

**Dividends Now Expected**

The share position of Proprietary has now been settled for a comparatively small increase in the outstanding Proprietary share capital, Mr. Mackenzie states. Proprietary emerges with approximately 11 shares of Kerr-Addison for each 10 shares of its capital stock outstanding. For the first time in six years the company now has no litigation pending or threatened.

Initiation of dividends by Proprietary is now expected, with regular income being derived from Kerr-Addison holdings. The deficit in surplus account of $29,880 at Dec. 31, 1940, has now been changed to a surplus of approximately $180,000 and it is proposed to make a substantial disbursement on account of dividends—probably 15 cents per share.

**Issued Shares Caused Fight**

Litigation since 1935 was based chiefly on dispute over the issued capital of Proprietary. Some time ago Proprietary secured a final judgment from the Supreme Court of Canada that the company was, subject to the rights of third parties, entitled to have delivered up and cancelled 111,300 shares represented by interim certificates issued to nominees of Dr. George A. MacKay.

Following this a claim was brought forward on behalf of Robert I. MacKay to 150,000 shares which had been cancelled, by the directors in May, 1935, together with other shares represented by certificate No. 1384 for 75,000 shares, one of the certificates included in the above-mentioned 111,300 shares. A petition to wind up the company under the provisions of the Ontario Companies Act was launched by R. W. MacKay and Robert I. MacKay, alleging numerous irregularities, improprieties and illegalities, principally on the part of former directors and officers of the company.

**Says Case Not Proved**

According to the statement of Mr. Mackenzie, the large volume of evidence taken on the petition failed to justify in any respect the charges upon which the petition was based. It proved impossible, however, to bring the petition on for hearing before the summer vacation of the courts and this was an important reason for agreeing on the settlement, negotiations for which were instituted on behalf of Robert I. MacKay. In consenting to dismissal for winding up, Arthur Slaght, counsel for the petitioners, stated in part as follows:

"The petitioners through their solicitor desire this statement to be of the fullest and frankest character so that there shall not rest upon any of the parties named in the petition against whom complaints were set forth, the slightest reflection upon their character or conduct."

## Shaft Down 1,000 Ft. At Central Duparquet

Shaft sinking at Central Duparquet Mines has now been carried an additional 250 ft. with a total depth of 1,000 ft. reached, The Financial Post is informed. A station has been cut at the 1,000-ft. horizon and a drift is being carried to the west to connect with the Beattie sixth level through the Donchester ground.

Beattie Gold Mines (Quebec) has exercised its option on a further 300,000 shares of Central Duparquet at 15 cents a share, making a total, of $90,000 which they have paid to date.

Public interest in Central Duparquet is represented by 1.4 million shares held by Dumico Gold Corp. from which the property was acquired. Duparquet Mining Co. holds 1.5 million shares of Dumico. There are so far no shares of Central Duparquet in the hands of the public.

## Skilled Labor Scarce in B. C.

### Miners, Loggers, Fishers Depleted By Enlistments

From Our Own Correspondent

VANCOUVER. — Shortage of skilled men for the lode mines of British Columbia is already being felt, although the situation is described as so far not serious.

Dr. W. B. Burnett, president of Cariboo Gold Quartz Mining Co., told The Financial Post that many of the most dependable and experienced men had enlisted in Canada's armed forces, resulting in a larger percentage of foreign-born and less satisfactory workers being left in the mine jobs.

"The situation is partly due to an apparent conflict between two agencies of the government," said Dr. Burnett. "One agency urges competent miners to stick to their jobs, arguing that a successful war effort depends on continued production of essential metals. Another agency sends recruiting officers into the mining country with a general appeal for enlistment—an appeal that invariably wins most response among the better class of workers."

**Logging and Fishing**

A similar development has taken place in the logging and fishing industries, according to a recent survey.

One Queen Charlotte logging operator, who is producing timber for Canada's aircraft production programme, said that his camps were being gradually drained of first-rate man power.

In the fishing fleets, while Japanese are apparently not such an important influence as they used to be, the foreign element is also strong, and many fishermen active in strike activities this spring have been Jugo-Slavs and Scandinavians.

A larger proportion of the British and Canadian-born fishermen have joined the naval forces.

**Whittier Gold Mines** has started diamond drilling at its property at Elbow Lake, Man. Diamond drilling is being done to make an exhaustive test prior to possible carrying out of a programme of underground development.


THE SAFE CONVENIENT WAY TO CARRY MONEY
Canadian Pacific Express
TRAVELLERS CHEQUES

KEEP IN CONDITION IN 'FORTY ONE
PREVENT MID-SECTION SAG —WEAR A Bracer

MADE BY
BAUER & BLACK LIMITED

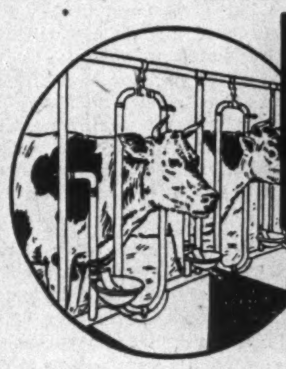
ROBINTEX
SUITINGS
IF YOU WANT A SUIT THAT WILL MAKE-UP WELL—WEAR WELL—AND KEEP ITS SHAPE
GUARANTEED BRITISH MANUFACTURE
also MILITARY CLOTHS for Officers' Uniforms
Army - Navy and Air Force
ASK YOUR TAILOR FOR ROBINTEX

When in MONTREAL

MEN of affairs naturally stop at The Windsor because of its convenient location and its well-established reputation for courtesy, comfort and service.

The Windsor is recognized as the proper place for business and social meetings.

THE Windsor
ON DOMINION SQUARE
J. ALDERIC RAYMOND
PRESIDENT



Pasture Comfort in the Barn
FOR LARGE OR SMALL HERDS

The convenience and advantages of modern steel stalls and stanchions in your barn are evident from the day they are installed. There is no speculation in an installation of

PEDLAR'S BARN AND STABLE EQUIPMENT

It is one of the soundest investments you can make. Pedlar Equipment means sanitation . . . increased production . . . less labor with practically no upkeep expense. Whether you own just a few animals, or a large herd, you will observe a decided improvement in health and milk yield, with Pedlar Equipment installed.

PEDLAR
Quality-Built
Barn Fittings
Stalls, Stanchions, Hay Carriers, Mangers, Cow and Calf Pens, Litter Carriers, Water Bowls, Barn Door Track and many other units to equip the modern barn.

Write for our illustrated folder
THE PEDLAR PEOPLE LIMITED
Head Office — Oshawa, Ont.
Montreal Ottawa Toronto Winnipeg Calgary Vancouver

PEDLAR
MANUFACTURERS FOR THE FARM FOR OVER 80 YEARS

O'Keefe's
is better for you
O'KEEFE'S BEVERAGES LIMITED



PROFESSIONAL DIRECTORY

CONSULTING ENGINEERS

THE GENERAL ENGINEERING COMPANY
(CANADA) LIMITED
ENGINEERING CONSTRUCTION
OPERATION OF INDUSTRIAL PLANTS
100 Adelaide St. West WA. 8605 Toronto

Shoemaker & Burnham
CONSULTING ENGINEERS
Specializing in Mill Design, Metallurgy, Power and Mining Plants.
Room 1201-1207
45 Richmond St. West,
Toronto, Ont.
Waverley 4466

DEPENDABILITY
Its ability to get the news and interpret it accurately is what leads wise investors in Canadian securities to rely each week on
THE FINANCIAL POST
$5 One Year — $2.50 Half Year

LEGAL

W. M. COUPER, K.C.
Advocate, Barrister, Etc.
486 St. John St., Montreal
Tel. Marquette 3005

McLAUGHLIN, JOHNSTON, MOORHEAD & MACAULAY
Barristers, Solicitors, Notaries
302 BAY ST., TORONTO
Telephone: ELgin 4217
L. Macaulay, K.C., M.P.P.
H. J. McLaughlin, K.C.
W. W. McLaughlin, K.C.
D. C. Wells R. F. May
H. W. Alles R. H. Soward
L. B. Webster J. M. Magwood

Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay
Pitblado, Hoskin, Turner, McEwen & Alsaker
Barristers, Solicitors, &c.
Winnipeg, Manitoba

CHARTERED ACCOUNTANTS

Ronald, Griggs & Co.
Chartered Accountants
WINNIPEG
SASKATOON

FREE Subscribers to The Post, by mail, are entitled to the privileges of the Investment Enquiry Service. Subscription price — $5 a year.

MILLAR, MACDONALD & CO.
Chartered Accountants
WINNIPEG, MANITOBA

McDonald, Currie & Co.
Chartered Accountants,
Licensed Trustees & Receivers
MONTREAL TORONTO QUEBEC OTTAWA

RUTHERFORD WILLIAMSON & CO.
Chartered Accountants
Rutherford Williamson, F.C.A. Harold A. Shiach, F.C.A.
D. J. Sales, C.A. W. F. Gibson, C.A.
TORONTO — MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

ROBERTSON, ROBINSON, McCANNELL & DICK
Chartered Accountants
D. H. McCANNELL — Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Hamilton—Winnipeg—Vancouver
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON
R. S. McPHERSON
Licensed Trustees
FEDERAL BUILDING TORONTO
GALT KITCHENER

CHARTRE, SAMSON & CO.
Chartered Accountants, Licensed Trustees and Receivers
Successors to
LaRue & Trudel and Samson, Knight & Co.
MONTREAL QUEBEC ROUYN

Banking

# Credit Unions Show Growth in Canada

### Latest Figures for Dominion Indicate Over 1,100 Groups With Membership Over 190,000 — Organization and Regulation Fairly Uniform in Different Provinces

Credit unions are gaining ground in Canada.

Figures recently issued under the auspices of the Dominion Department of Agriculture show more than 1,100 credit unions chartered in Canada in 1940 with a membership of over 190,000 compared with 1,000 unions and a membership of 181,585 in 1939.

These credit unions are spread over every province and each province has legislation governing their establishment and operation.

Quebec which was a pioneer in the movement in Canada has by far the largest membership and assets of all the provinces. Latest figures show a total of 524 unions with a membership of over 115,000 and total assets of almost $19.2 millions, more than half the total for Canada in each item.

The nearest approach is made by Nova Scotia which at April 30, 1940, had 195 unions and a membership of 35,000. Total assets are not given.

New Brunswick follows fairly closely. In Ontario the movement has gained considerable momentum since the revision of the Credit Unions Act in 1940, and latest statistics issued show 67 in operation in the province with a membership of 14,461.

**The Objects**

Objects of credit union organization have been variously set forth but generally may be summarized as:

To promote thrift among the members by encouraging them to save systematically.

To provide credit for members at low rates of interest.

To provide a means by which through helping themselves, the members can be educated and encouraged to solve their financial problems generally.

So far the movement has been subject only to provincial legislation. There is no Dominion law regulating their establishment or operation. Because the professed objects have been practically the same however, in all parts of the country, the type of organization is much the same in all provinces and there is a certain degree of uniformity.

One feature common to all provinces is that membership is limited to groups bound together by a common employment, or association of some kind. There is no attempt made to confine it to race or creed.

**Must Know Each Other**

For instance in British Columbia, there is the Skidegate Mission Credit Union among the Indians of the Skidegate Reserve while in Ottawa that of the civil service is one of the oldest and strongest credit unions in the country. Other typical examples are that of the Dosco employees at Sydney, N.S., and the Halifax Employees.

The usual method of procedure is that those who wish to become members must be elected. They pay an entrance fee which is usually 25 cents. Then they pay in successive small amounts until they have purchased a share of say $5 or $10 par value. Control is exercised by the co-operative principle of one member, one vote Members may make deposits with the Union and may borrow from it when in good standing. Loans usually have to be approved by a credit committee and in some of the provinces loans over a certain amount, say $50, can only be made when security is given.

One of the professed objects of Credit Unions is to protect their members from the loan shark, whose operations fortunately in recent years have been considerably curbed.

**Not in Competition**

Credit union loans are not usually regarded as competing with those of the chartered banks. The latter are out to lend all the money they can, of course, as loans are normally their big source of income. But the banks are restricted in the type of loan they make.

The credit union operations therefore are complementary to those of the chartered banks rather than in competition with them. Moreover the credit unions to a large extent free the banks of a great many small bothersome accounts which may cost more in handling than they can ever earn.

The rate of interest which may be charged on a member's loan is set forth in the enabling legislation, but usually is 1% on the outstanding monthly balance.

## Montreal Brokers' August Loans Hold

Collateral borrowings of member firms of the Montreal Stock Exchange and Montreal Curb Market at the end of last month totalled $5.6 millions, a decrease of $60,772 from the previous month's total. At the end of August a year ago loans amounted to $6.1 millions.

Previously the loan figure issued each month in Montreal has included only borrowings of member firms of the Montreal Stock Exchange, but figures have now been revised and include loans of such member firms as the Montreal Curb Market who are not members of the Montreal Stock Exchange or any other recognized Canadian stock exchange.

## Public Utility Earnings

**British Columbia Power**

| August | 1941 $ | 1940 $ |
|---|---|---|
| Gross earnings | 1,560,550 | 1,415,972 |
| Less: Expenses | 1,233,010 | 1,084,675 |
| Int. & pref. divds. | 186,665 | 187,666 |
| Bal. for A stk. | 140,875 | 143,631 |
| **Eight Months Ended Aug. 31** | | |
| Gross earnings | 12.071,810 | 10,960,154 |
| Less: Expenses | 9,152,246 | 8,004,007 |
| Int. & pref. divds. | 1,495,325 | 1,503,326 |
| Bal. for A stk. | 1,424,239 | 1,452,821 |

**Southern Canada Power**

| August | 1941 $ | 1940 $ |
|---|---|---|
| Gross earnings | 266,734 | 233,713 |
| Oper. expenses | 89,390 | 76,924 |
| Taxes | 61,468 | 43.577 |
| Net earnings | 115,876 | 113,212 |
| Int., depr., divs. | 114,879 | 111,485 |
| Surplus | 997 | 1,727 |
| **11 Months Ended With August** | **1941 $** | **1940 $** |
| Gross earnings | 2,722,457 | 2,460,693 |
| Oper. expenses | 792,849 | 766,872 |
| Taxes | 664,504 | 433,124 |
| Net earnings | 1,265,104 | 1,260,697 |
| Int., depr., divs. | 1,241,841 | 1,228,832 |
| Surplus | 23,263 | 31,865 |

## Deposits Are Lower At Bank of Canada

### Investments Also Show Decline — Holdings of Sterling Up

A decline of almost $15 millions in investments is shown in the statement of the Bank of Canada for the week ended Sept. 17. The decline was entirely in short term issues. Holdings of sterling and United States exchange continued the upward trend they have shown in recent weeks increasing about $9 millions. Miscellaneous assets were down about $1 million. The net result was a drop of $7 millions in total assets.

The decrease in assets was balanced on the liability side mainly by a drop in deposits of the chartered banks and miscellaneous deposits. Note circulation was slightly lower.

| | Sept. 17 1941 $ | Sept. 10 1941 $ |
|---|---|---|
| **Liabilities** | | |
| Capital paid-up | 5,000,000 | 5,000,000 |
| Notes in circ. | 431,355,688 | 431,573,310 |
| Rest fund | 3,722,910 | 3,722.910 |
| Depos.: Dominion | 100,531,548 | 91,936,416 |
| Banks | 196,100,587 | 210,054,122 |
| Other | 9,661,973 | 10,459,266 |
| Total deposits | 306,294,108 | 312,449,803 |
| All other liabs. | 7,235.180 | 7,859,316 |
| Total liabs. | 753,607,886 | 760,605,339 |
| **Assets** | | |
| In sterling & U. S. | 89,566,791 | 80,666,791 |
| Subsid. coin | 601,016 | 601,057 |
| Advances | 1,000,000 | 1,000,000 |
| Investments: | | |
| Dom. govt. short | 505,621,730 | 520,456,348 |
| Other Dom. govt. | 144.434,061 | 144,391,539 |
| Total invest. | 650,055,791 | 664,847,887 |
| Premises | 1,812,466 | 1,811,518 |
| All other assets | 10,571,822 | 11,678,086 |
| | 753,607,886 | 760,605,339 |

## Staff Changes

**The Canadian Bank of Commerce** announces the following staff changes:

P. BARR, manager, Midland, Ont., to be an inspector, head office, Toronto.

W. D. JOHNSTONE, to be manager, Fort Erie North. Ont.

R. G. GILLIES, manager, Fort Erie North, Ont., to be manager, Midland, Ont.

**The Bank of Nova Scotia** announces the following staff change:

G. G. BENNETT to be manager, Chandler, Que.

**The Royal Bank of Canada** announces the following staff changes:

T. A. HORN to be manager, Halkirk, Alta.

J. G. W. LEE, accountant, Sudbury, Ont., to be manager, Noranda, Que.

D. R. McDOUGALD, manager, Russell, Man., to be manager, Weyburn, Sask.

E. P. S. SOLER, assistant manager, San Juan, Porto Rico, to be manager, Santurce, Porto Rico.

R. D. FISK, assistant accountant, Edmonton, Alta., to be accountant, Lacombe, Alta.

W. L. PULLEN, assistant accountant, King & Church Sts., Toronto, to be accountant, Sudbury, Ont.

H. R. WEIDNER, assistant accountant. London, Ont., to be accoundant, Stratford, Ont.

G. HENDRY, manager, Noranda, Que., to be manager, Drayton, Ont.

E. E. THOMPSON, to be manager, Russell, Man.

W. L. GODIN, accountant, Upper Town, Quebec, to be accountant, Mount Royal and St. Lawrence, Montreal.

C. R. GEORGE. accountant, Simcoe, Ont., to be accountant, Bay & Temperance Sts., Toronto.

J. M. OLVER, accountant, Main & Sherman Sts., Hamilton, to be accountant, Brantford, Ont.

J. FERRIR DE C. to be assistant manager, San Juan, Porto Rico.

## *Expects Dominion Income To Better Estimates*

Canada's war finance programme is progressing more favorably than anticipated when he delivered his budget address last April 29, Dominion Finance Minister Ilsley revealed at the annual convention of the Canadian Chamber of Commerce.

Income of the government, tripled from pre-war levels, promises to be $100 millions higher than budget estimates for the year ending Mar. 31, 1942, thus narrowing the substantial gap between what Canada is spending and what it is able to raise by taxation.

**Revenue Reports Good**

According to Mr. Ilsley actual revenue for the current year is likely to be nearer $1.5 billion than the $1.4 billion budget estimate. This prediction is based on the extremely favorable showing of the government in the first few months of the current year.

In the first five months revenue increased to $590.8 millions from $328.9 millions in the same period last year, an increase of $261.9 millions, or 80%.

Even if income does live up to the Finance Minister's revised estimate there is still a large difference separating revenue and expenditure.

Minimum war requirements are estimated at $1.3 billion and maximum at $1,450 millions for 1941-42.

**Would Pare Deficit**

Using both estimates the Dominion is faced with the following financial prospect:

| | Millions | | |
|---|---|---|---|
| War expend. | $1,300 | to | $1,450 |
| Non-war expend. | 468 | to | 468 |
| Total gov. exp. | 1,768 | to | 1,918 |
| Revised rev. est. | 1,500 | to | 1,500 |
| Deficit | $ 278 | to | $ 418 |

On its own operations alone the Dominion faces a deficit of from $278 millions to $418 millions in the current year, depending chiefly upon the extent of its war effort.

But in addition to its own requirements about $900 millions in aid will be extended to Britain. This will increase deficit to a figure ranging from $1,168 millions to $1,318 millions. This record deficiency will have to be met by borrowing, which means that beside record taxation Canadians will be called upon to give more in war bonds to Ottawa.

**Meet 78% of Costs**

Because of the buoyancy of revenue and the revised estimate of income, Ottawa will be able to meet 78% of the maximum costs of war and non-war activities of government from current revenue. This is cited by the finance minister as proof the government is seriously taking its two-year-old pledge to conduct war on a pay-as-you-go principle.

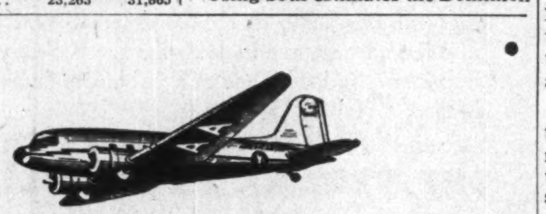
In contrast with this during the First Great War only 47% of the national budget was financed by taxation. The remainder was borrowed and Canadian national debt soared.

Drawing upon its experience on that occasion the Dominion government has avoided wide-scale inflationary measures as a war finance instrument and has borrowed as little as possible.

The variance between the two percentage figures of war costs met from taxation indicates the diligence with which Ottawa is applying its "sacrifice" war finance policy.

## Weekly Bank Clearings

| | Sept. 18 1941 $ | Change Year Ago % | Sept. 11 1941 $ |
|---|---|---|---|
| Halifax | 3,653,928 | +12.8 | 3,754,735 |
| Saint John | 2,135,818 | +7.0 | 2,112,428 |
| Moncton | 1,130,834 | +31.5 | 921,598 |
| Quebec | 4,935,039 | —8.6 | 6,382,308 |
| Sherbrooke | 1,217,609 | +42.5 | 1,068.233 |
| Montreal | 134.673,621 | +39.4 | 118,036,059 |
| Ottawa | 35,684,890 | +31.4 | 57,695,158 |
| Kingston | 745,145 | +6.0 | 810,124 |
| Peterborough | 721,397 | +19.4 | 735,735 |
| Toronto | 143,030,957 | +32.2 | 118,928,738 |
| Hamilton | 7,228,358 | +28.5 | 5,969,975 |
| St. Catharines | 1,357,589 | ..... | 1,101,388 |
| Kitchener | 1,371,650 | +12.5 | 1,281,422 |
| Brantford | 1,073,746 | +13.9 | 1,038,447 |
| London | 2,925,757 | +5.2 | 2,807,180 |
| Chatham | 601,592 | —0.4 | 643,174 |
| Windsor | 3,798,968 | +19.1 | 3,205,431 |
| Sarnia | 568,819 | +30.0 | 427,398 |
| Sudbury | 1,063,537 | +24.1 | 1,257,068 |
| Fort William | 1,033,537 | +10.1 | 1,024,530 |
| Winnipeg | 49,203,618 | —9.2 | 57,725,873 |
| Brandon | 506,430 | +23.3 | 448,848 |
| Medicine Hat | 438,860 | +15.2 | 401,709 |
| Regina | 5,645,469 | —33.0 | 5,437,225 |
| Moose Jaw | 733,179 | —14.8 | 678,617 |
| Saskatoon | 1,709,845 | +5.3 | 1,632,646 |
| Prince Albert | 441,671 | +5.4 | 412,468 |
| Edmonton | 6,100,791 | +25.5 | 5,073,717 |
| Calgary | 6,364,906 | +10.3 | 6,581,971 |
| Lethbridge | 592,501 | —0.01 | 603,023 |
| N. W'minster | 847,889 | +32.9 | 875,851 |
| Vancouver | 20,222,702 | +22.9 | 19,650,653 |
| Victoria | 2,067,468 | +14.2 | 1,893,078 |

CHICAGO

3 FLIGHTS DAILY

*4 hours, 27 minutes*

NEW YORK—Three fast services daily via Buffalo at 11:00 am, 4:20 pm and 7:40 pm. Excellent returning services.

BOSTON—Five services daily. 3 hours, 45 minutes.

WASHINGTON—Five services daily. 3 hours, 31 minutes. Daily service to Pittsburgh and Baltimore.

CALIFORNIA—Excellent service to Los Angeles and the Pacific Coast. Daily services to St. Louis, Oklahoma and Texas.

| GOING | | | |
|---|---|---|---|
| Lv. Toronto | 10:35 am | 4:20 pm | 7:40 pm |
| Ar. Buffalo | — | 4:57 pm | 8:17 pm |
| Ar. Windsor | 12:10 pm | — | — |
| Ar. Chicago | 2:09 pm | 8:02 pm | 11:07 pm |
| **RETURNING** | | | |
| Lv. Chicago | 9:10 am | 12:05 pm | 5:45 pm |
| Lv. Windsor | 12:35 pm | — | 9:15 pm |
| Lv. Buffalo | — | 6:20 pm | — |
| Ar. Toronto | 2:10 pm | 7:00 pm | 10:50 pm |

*(Standard Time Shown)*

COMPLIMENTARY MEALS SERVED ALOFT

*Consult Ticket Agent for Fares*

For reservations, call your Travel Agent or Waverley 4661.

Ticket Office, Reford Bldg., 36 Wellington, West.

AMERICAN AIRLINES

ROUTE OF THE FLAGSHIPS

A fine example of poster art which the Canadian government is starting to distribute.


HERBERT TAREYTON SMOKING MIXTURE

THE BEST YOU CAN BUY FOR YOUR PIPE . . . TRY IT

POUCHES AND PACKAGES . . . 25c

THERE'S SOMETHING ABOUT IT YOU'LL LIKE

THE ONTARIO LOAN AND DEBENTURE CO.

LONDON, CANADA

Established 1870

DEPOSITS ACCEPTED | 5-YEAR DEBENTURES ISSUED

Deposits and Debentures (31 Dec., 1940), $12,147,569

Capital (Fully Paid), $2,000,000 | Reserve Fund, $2,400,000


## Alberta Bond Talks Recess is Called

Committees representing Alberta bondholders and members of the Alberta Treasury Board have adjourned for 10 days after a brief sitting because of the absence of several members. Provincial Treasurer Low and Provincial Secretary Manning have left for Ottawa to discuss the proposed abandonment of provincial income and corporation taxes and representatives of the bondholders have left for eastern Canada on private business.

The province and the bondholders have started preliminary negotiations toward refunding the province's debt of about $147 millions.

Members of the provincial government are in Ottawa prepared to accept, in principle at least, the Dominion Government's proposal for provinces to relinquish income and corporation taxes for the duration of war, it is reported.


*You Can Do More Business In Windsor!*

Here's A Graphic Story of Average Weekly Pay Cheques As Reported By The Dominion Bureau Of Statistics

**Windsor Workers Get $12.43 A Week More Money Than The Average Of $25.26 For All Of Canada**

Windsor workers have $10.03 a week more to spend than those in Hamilton, $11.04 more than Toronto, $12.26 more than Winnipeg, $12.98 more than Montreal, $14.65 more than Ottawa, and when you associate this extra money with the 31,475 persons considered by The Dominion Bureau of Statistics in compiling these figures, you get a realistic conception of purchasing power, and why business in Windsor is booming.

Nor is the surplus eaten up by any higher cost of living!

Living costs in Windsor aren't any higher than in any other large Canadian city . . . lower than in most. Rents, for instance, have been pegged at January 1940 levels by the Rental Control Board. And, rent is a considerable item in any family budget.

It is, of course, sound reasoning to go after business where it is good. A factor that should, however, enter into the consideration of a sales campaign is cost.

"Can we do business in Windsor at a reasonable cost . . . as reasonable as in other markets that also are good?"

The answer is YES! Your costs should be LOWER!

In Windsor you place your advertisement in ONE newspaper. It covers the market thoroughly. Its circulation in the City of Windsor exceeds the number of homes by several thousands. Its coverage is equally thorough in the rich farming areas of Essex, Kent and Lambton counties, and the many towns and villages. It does a complete selling job . . . a job that would require two or more newspapers in most other markets.

*"Canada's Best-Read Newspaper"*

The Windsor Daily Star

OVER 49,000 DAILY

*6 Editions Blanket Windsor, Chatham, Sarnia Area*

# THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 27, 1941 | 10c a Copy; $5.00 a Year | No. 39


# How This Giant Industry Aids War Effort

## Pulp and Paper Operations Make Vital Contribution to Freedom's Cause

By JOHN LANGDON
Eastern Editor, The Financial Post

With the nation entering the third year of war, Canada's pulp and paper industry has a two year record of striking service to the Dominion's war effort.

Its contribution in that period has well justified its designation as an essential war industry.

Thus, in the first 24 months of war, the 100 pulp and paper mills in this country provided Canada with:

**$400 millions of vital U. S. dollars wherewith to finance purchase of essential goods in the States.**

**Originated and developed the idea of wartime machine shops, a scheme now beginning to make itself felt in the production of war supplies;**

**Contributed millions of dollars in additional taxes to help pay war costs;**

**Promptly and completely met the pulp and paper needs of the United Kingdom which was cut off from her usual sources of supply;**

**Supplied huge quantities of specialty products for use in shipping goods to the United Kingdom;**

**Provided tens of millions of square feet of board to be used as temporary shelters in bombed-out areas of the United Kingdom; for army huts in Canada, the United Kingdom and North Africa;**

**Maintained uninterruptedly a supply of newsprint paper for the democratic presses of the world.**

That was no mean performance!

The $400 millions of U.S. funds received from sale of newsprint and pulp in the United States during the past two years if translated into supplies and materials, would provide for Canada's war effort any one of the following groups of war supplies:

**4,000 heavy infantry tanks;**
**4,000 medium bombers;**
**200 freighters of 9,300 tons deadweight capacity each;**
**32,000 Bofors anti-aircraft guns;**
**5,700 3.7 in. anti-aircraft guns;**
**80,000 Bren gun carriers;**
**889,000 Bren guns;**
**10 capital warships;**
**Completely equip 1¼ million soldiers with transport, Universal gun carriers, Bren machine guns and general stores;**
**Buy sufficient oil to take care of Canada's imports for eight years.**

**Or, put in a totalitarian way, the U. S. funds raised by the pulp and paper industry in the first two years of the war, would cover Canada's direct war costs on the present scale for 143 days.**

### Has Had Own Problems

Like every other industry, pulp and paper has had to overcome many problems resulting from the war.

Organized, designed and expanded as an export industry, this branch of the Canadian economy had to develop new sources of supply.

Rationing has seriously curtailed shipments to important markets.

Necessity of conserving exchange has had the same effect in other areas. Export restrictions have added to the complexity of its international trade.

In pre-war days Canada's pulp and paper products found their way to nearly every country in the world. The industry competed with products of the United States, Sweden, Norway, Finland, Germany, France, the United Kingdom and other exporting nations. It even had to compete with foreign manufacturers in its own domestic market, for in certain paper specialties demand did not permit of economical production.

The disruption and re-allocation of world markets for pulp, paper and other pulp products brought immediate problems.

First was the problem of the United Kingdom, suddenly cut off from her usual sources of supply for pulpwood and pulp.

Immediately after the onset of the war, the industry established relations with the United Kingdom Controller of Paper, as well as other British and Allied supply agencies.

Newsprint was needed for the presses of Britain; pulp for everything from paper to explosives; insulating board for shelters in bombed areas and army cantonments.

### Integration of Resources

Every resource of the industry was integrated to meet these demands—all of which have been met completely and on schedule.

Shipping space was an almost constant problem, and production schedules had to be upset to get supplies ready for shipment when space became available.

Other countries, envisioning a disruption of supply, made abnormal demands upon the Canadian industry in order to build up reserves of pulp and paper products.

For a time conditions were near the chaotic. When they straightened away, Canadian manufacturers found that they were in a position to take care of the needs of those countries outside the European bloc as long as orderly marketing prevailed.

But in the shuffling and reshuffling which took place, out of the uncertainties resulting from the ebb and flow of the war in Europe, many changes took place.

Manufacturers in this country have seen their United Kingdom newsprint market—one of the most important in pre-war days—cut to a mere fraction of what it was because of rationing and difficulties of shipping;

The Australian and New Zealand newsprint markets are now undergoing a sharp curtailment in consumption.

British South Africa, British India, the Philippines, South America and Central America have turned to Canada to meet their requirements of newsprint paper.

Since the outbreak of war Canada has become vitally important to the pulp-using industries of the United Kingdom and the United States. The great rayon mills in both those countries; explosives plants, paper mills, etc., depend upon Canada to meet all or part of their needs.

Capacity plant operations have been necessary to meet the greatly increased demand, but, as in the case of newsprint and other products, the Canadian pulp industry has not fallen down on the job; all requirements have been met.

Insulating board manufacturers, accustomed to shipping a few million feet of their product to the United Kingdom, found a new and enormous demand; not millions but tens of millions of feet of board have been shipped to Britain.

Producers of kraft paper, liner board and other products likewise have found themselves called upon to meet a demand many times greater than they normally would be asked to supply.

War conditions also thrust upon the industry heavy demands for "fine" papers from the United Kingdom, from the British Commonwealth and other countries which previously had relied on European sources of supply.

This brief chronicle of trade developments does not adequately portray the many difficulties with which the industry has been confronted: multitudinous government regulations and legislation such as exchange control, war exchange taxes, trading with the enemy rules, prohibited exports, customs and export entries, and many other items. Other countries also have their wartime rules and regulations, tariffs, surtaxes, trade taxes, wharfage dues, import licenses, restrictions, quotas, etc.

Since 95% of the total output of the pulp and paper industry is marketed outside Canada, difficulties loom large.

In operations, pulp and paper manufacturers have had to contend with all the problems that normally beset industrial operations in wartime. There is the increasing scarcity of labor supply. Higher wages to be paid. Cost-of-living bonuses have been granted.

Difficulties have been experienced in replacement of parts. Fourdrinier wires, felts, rolls and various items of machinery wear out regularly and, because of the demands for the materials going into these parts for war supplies, deliveries have not always been prompt.

Ocean shipping has been irregular. Nor has it been easy to charter coastal and inland shipping space. Of late railway transport has loomed up as a problem which promises to become more complex as the war goes on.

Such difficulties as have been experienced with transportation have been met with the co-operation of buyers. The day when the user could secure overnight delivery of his paper or pulp has passed. Now the buyer estimates his requirements ahead of time, enabling the manufacturer to regulate his operations and arrange transportation so that deliveries can be made when the product is required.

As in nearly every other industry, manufacturers of pulp and paper have been experiencing greater difficulties in securing supplies of raw materials. Domestic sources of china clay have been developed to replace the stoppage of shipments from England. Several plants have installed special equipment to secure sulphur from pyrites.

At the request of the government fine paper manufacturers have limited their use of titanium. In addition pulp operators have curtailed the use of chlorine until such time as additional capacity is provided.

### Serving the National Interest

Manufacturers have deliberately refrained from taking advantage of wartime demands, rising costs, etc., to profit at the expense of the consumer. With the Scandinavian and other pulp and paper exporting countries out of the international market, the way was wide open for the Canadian industry to fatten its pockets. Instead the operators have leaned backward to provide a quality product at a moderate price.

To that end, contract prices for newsprint paper are unchanged to the end of the first quarter of 1942. They are the same as were in effect at the beginning of 1938.

Contract prices for chemical pulps stand unchanged from those prevailing in July, 1940.

Minor increases have been made in the price of fine papers and specialty papers for reasons outside control of the manufacturers.

The Canadian industry depends for its welfare upon exports. At this time the majority of pulp and paper importing countries of the world are dependent upon Canada for supplies. After the war the Scandinavian and other countries will return to world trade, and competition for business will be extremely keen.

And the Canadian industry well knows that its present sales policy is creating a tremendously important asset in goodwill.

The whole pulp and paper industry divides itself into several divisions. There is the newsprint section, most important single section and the one which the public regards as the bell-wether of the group. Here we find, this year, a relatively high rate of operations, improving finances but still available substantial reserve manufacturing capacity. It is partly this capacity which has been called upon to supply substitutes for kraft papers when the supply fell behind the need this summer.

There is the pulp making group; a section which turns out the raw materials for other paper makers, for the rayon industry, for building papers and for war explosives, as well as in the making of newsprint itself. In many cases, pulps of all kinds are also produced by companies predominantly makers of newsprint. In other cases companies make only pulp for sale to others. It is a section of the industry which finds a demand for its products beyond anything thought possible only a year or two ago and a demand that shows not the slightest sign of slackening.

### Fine Papers Busy

Then there is the group that makes the writing papers, the book papers, the specialty tissues of all kinds that consumers everywhere require. This is a section also which finds its capacities taxed to the limit. But it is also a section which has behind it a better than average record of investor return in past years; a section that finds its products less subject to wide fluctuations in demand.

Wrapping papers, paper boxes, containers of all kinds are today made from paper. When volume of goods moving to market, or direct consumption, rises as it has over the past two years, it can be taken for granted that paper box makers will not lack for sales volume. Such is the case now with the chief problem of this section of the industry that of how to turn out enough goods to keep its customers satisfied. It is a section of the industry also which has been doing a very specialized war job in providing containers for the flow of munitions overseas and of supplies to training centres in this country.

Pulp and paper securities have not achieved a high investment ranking. There have been too many defaults among the bonds; too few stocks paying dividends. This has been a legacy of the depression and special problems found in the industry itself. But there are signs that the long period of famine is ending. Investors looking at pulp and paper securities today will find:

1. Bond interest being earned and coverage strengthened.

2. Reorganizations nearing completion—Abitibi being the only major company still to get on its feet.

3. Working capital strengthened and a lack of liquid capital being turned into what some maintain may become an excess of liquidity.

4. For the first time in many years, prospects of higher dividends and resumption of payments where none has been made.

This may seem too optimistic a picture for an industry which has for so long suffered from lack of earning power. It is not one that can be projected too far into the future.

## Index to Pulp and Paper Firms


| | | | |
|---|---|---|---|
| Abitibi Power | 16, 20 | Howard Smith | 26 |
| Anglo-Canadian | 20 | Interlake | 23 |
| Anglo-Newfoundland | 18 | International Fibre Board | 22 |
| Bathurst | 19 | Lake St. John | 21 |
| B. C. Pulp | 16 | Lake Sulphite | 16 |
| Building Products | 22 | Maclaren | 21 |
| Bowater's Newfoundland | 18 | Masonite | 22 |
| Brompton | 19, 20 | Mersey | 19 |
| Brown Corp. | 16 | Minas Basin | 16 |
| Canadian International Paper | 19, 20 | M. & O. Paper | 21 |
| Canada Paper | 20 | Ontario Paper | 22 |
| Canadian Paperboard | 23 | Pacific Mills | 27 |
| Canadian Wirebound Boxes | 23 | Price Bros. | 22 |
| Canadian Wallpaper | 23 | Port Royal | 16 |
| Consolidated Paper | 21 | Powell River | 27 |
| Corrugated Paper Box | 23 | Provincial Paper | 22 |
| Donnacona | 21, 22 | Quebec Pulp | 16 |
| Dryden | 19 | Restigouche | 16 |
| Eddy, E. B. | 21, 27 | Rolland | 26 |
| Fraser Cos. | 16, 26 | Spruce Falls | 22 |
| Gair Co. | 23 | St. Lawrence Paper | 22 |
| Gaspesia | 16 | St. Lawrence Corp. | 22 |
| Great Lakes | 21 | Vancouver Kraft | 23 |
| Hendershot, G. W. | 23 | Wayagamack | 19 |
| Hinde & Dauch | 23 | Westminster | 23 |

# Democracies Depend on Canada's Pulp

## Pulp Operators Ready to Meet Major Demand as Other Sources Lost

**Canada is now the principal, and in many cases, the only source of woodpulp for practically all pulp-consuming countries outside of continental Europe.**

**The United Kingdom and other parts of the Empire, the United States, Mexico and the various South American countries, depend upon Canada to make up any deficiency in their own supply of wood pulp.**

During 1940 Canada exported nearly one million tons of pulp.

The following percentages indicate increases over 1939 for each type of pulp exported from the Dominion:

| | |
|---|---|
| News grade, unbleached | 239% |
| Strong unbleached ..... | 97% |
| Bleached .............. | 46% |
| Sulphate .............. | 26% |
| TOTAL ............. | 65% |

For the current year, exports of pulp by Canadian mills are running approximately 25% ahead of 1940.

### Altered by War

In order to appreciate the present position of the pulp industry and the important place which it has come to occupy in Canada's trade, it is necessary to examine the events of the past two years.

With the declaration of war, there was an immediate and abnormally active demand for pulp from the United States, the United Kingdom and elsewhere.

Marketing its products, as it does, in a world-wide free market, the industry was subjected to a severe dislocation by the progressive closure of foreign markets following the rapid succession of war events in Europe and their far-reaching repercussions in world markets.

Since the beginning of the current year practically all of the pulp imported into the United States has originated in Canada.

This has meant capacity operations in the Canadian mills to take care of the demand of the United States, the United Kingdom and other Empire countries, as well as the domestic requirements.

### Stabilize Price

Despite the sharp advance in sales of Canadian pulp, prices have been maintained on a stabilized basis. Contract prices have shown no change over the past year, though "spot" prices have fluctuated sharply at times.

One factor which has tended to keep prices under control is the "hidden resilience of output" within the industry.

This resilience becomes effective under what might be termed "forced draft" operations, which so far have not been needed except for short periods to meet temporary emergent needs.

In addition there has resulted from more efficient processes in the manufacture of newsprint paper a substantial excess of capacity for producing newsgrade unbleached sulphite pulp, one of the constituents of newsprint paper. Consumption of this grade of chemical pulp, except for manufacture of newsprint paper, is strictly limited.

Newsprint companies are no longer a major factor in the pulp market. Of late there has developed an important outlet for the surplus machine capacity of the newsprint industry in the manufacture of substitutes for kraft paper. At present newsprint mills are manufacturing between 5,000 and 6,000 tons a week of special papers, resulting in absorption of practically all the spare surplus chemical pulp producing capacity.

Aside from these marginal producers, there are a score or more Canadian companies producing pulp for sale. Those who depend wholly, or at least for the major part of their income, upon pulp operations, number less than 10. This list, of course, does not include companies like Abitibi or Canadian International Paper which secure substantial revenues from the sale of sulphite pulp.

Of these 10 companies, which may be classified as pulp operators primarily, four are located in the maritime provinces of Nova Scotia and New Brunswick.

### Minas Basin Pulp

Nova Scotia's only pulp mill, operated by the Minas Basin Pulp and Power Co., is located at Hantsport. The company also is an important operator in the lumber field and has a subsidiary, Canadian Keyes Fibre Co., which turns out molded pulp products. Through Minas Shipping Co., which began operations in the spring of 1940, with a modern steel tugboat and fleet of scows, the company transports its own lumber and pulpwood.

Minas Basin operates one of the few remaining pulp firms in the Dominion whose manufacturing operations are devoted exclusively to the production of groundwood pulp. During 1940 and the early part of this year additional equipment was installed increasing the effect on capacity to between 110 and 120 tons daily. Over half of the entire output is sold under long-termed contract to Scott Tissue Paper Co., of the United States. The balance of the output goes to Ontario and the company's own subsidiary. The latter recently increased its output from 75,000 to 100,000 units daily.

Last year the company went into the lumber business on a fairly substantial scale and sold about 40 million superficial feet to the United Kingdom. The company expects a similar volume of lumber sales for the current year.

### Affected by War

During 1940 Minas Basin Pulp & Power had an operating profit of $458,121. This contrasted with $530,231 the year before. This was due entirely to the fact that a shortage of water, following the unusually dry season in 1939, forced the closing down of the pulp mill during the first 10 weeks of 1940. In order to carry out contracts, it was necessary for the company to purchase a substantial block of power which had the effect of increasing operating costs and reducing trading profits.

Relatively substantial expenditures in capital account were made last year. Four new grinders were added to the pulp mill. Canadian Keyes' equipment was added to, while the company purchased several timberland areas increasing holdings to about 160,000 acres.

### Fraser Co's.

Fraser Companies' operations are centred in the neighboring province of New Brunswick. It operates a bleached sulphite pulp mill at Edmundston, four sawmills and two shingle mills in eastern Quebec and New Brunswick. Through subsidiaries, it operates a bleached sulphite mill at Athol and a high-grade paper mill at Madawaska, Me. Fraser manufactures a high-grade rayon pulp for sale on the open market and a high-grade bleached sulphite for processing in its Madawaska mill. Demand for rayon pulp has been good this year, and revenues from that particular source are expected to be higher than in 1940.

The paper subsidiary is also experiencing excellent sales.

Output for the export in lumber from the Maritimes this year is somewhat doubtful because of limited buying and lack of shipping. The United Kingdom provides a good market, but at the moment it is very difficult to obtain the shipping space. Domestic demand continues to hold up fairly well.

Contrary to its previous practice, the company has now issued a quarterly statement of earnings this year, so that it is not possible to detail progress made.

In view of conditions prevailing with other companies engaged in the same lines of activity, it is assumed earnings this year are on a basis comparing favorably with those of last year.

Consolidated revenue in 1940 amounted to $3.2 millions as against less than $1.8 million the year before. After substantially higher reserves and payment of $310,500 in taxes, there was a net profit equivalent to 99.5 cents a share on the capital stock, as against a loss of 56.2 cents a share the year before.

Generally, the financial position of the company underwent a marked improvement last year. A special bank loan of $369,900 was liquidated; the special loan reduced by $501,000 to $1.2 million; first mortgage bonds from $7,575,000 to $6,695,000 and Restigouche bonds from $4,243,000 to $4,087,000.

### Port Royal Pulp

The second operator in New Brunswick is the Port Royal Pulp and Paper Co. with a mill at Fairville, just outside Saint John.

Production is confined to a high grade sulphite pulp, demand for which has been such over the last two years that operations have been conducted at capacity.

About 50% of the output goes to the United States and the balance to the United Kingdom. The company reports some delays in shipping to the latter market, but the movement continues.

The financial and operating position of the company has improved substantially since new markets were arranged following collapse of the company's contract to deliver pulp to Japanese buyers for the Brown Co. about three years ago.

As a result of the strong market for chemical pulps, the financial position of the company has shown a marked improvement. The funded debt was reduced to $185,000 as at last June, with the balance maturing $40,000 quarterly.

No financial statement is issued by the company so that it is not possible to make an analysis of the company's earning power.

Aside from the small amount of bonds outstanding, the capital stock is held by a private Quebec interest.

### Quebec Pulp

Quebec Pulp and Paper Corp., owns a groundwood pulp mill at Chicoutimi, P.Q., which has not been in operation for several years.

From time to time there has been talk of reopening the plant, but the situation at this time remains unchanged. A heavy capital expenditure would be involved in reopening the mill, a step which would not be warranted without guarantee of long term contracts. So far, there is no assurance of such business.

The company owns important timber limits, water power and a completely equipped groundwood mill. Because of the low prices for groundwood pulp, it has not been possible to operate.

Considerable attention has been given by the management to the possibility of reopening the mill, either as a groundwood producer or as a chemical pulp producer. While the pulp situation has undergone a marked improvement in the last two years, the situation still does not warrant reopening of the Chicoutimi plant.

Meanwhile, the only use being made of the company's assets is the operation of the machine shop in Chicoutimi in connection with the "Bits and Pieces" programme which the pulp and paper industry has instituted to undertake specialized war work.

Control of this company is jointly held by Consolidated Paper Corp., and Price Bros. & Co. There is a fairly wide investment interest in the preferred stock.

### Gaspesia

Gaspesia Sulphite Co., in which Anglo Newfoundland Development Co. holds substantial interest, has shared fully in the general improvement which has occurred in the pulp industry. Last year the company spent additional capital in further improving the quality of its high grade unbleached sulphite pulp which was designed for the requirements of the United States market.

No official information is available on sales or earnings. The company is financed privately by the so-called Rothermere "group" which acquired the property about the end of 1936. Previously, the plant, which is located at Chandler, P.Q., had been idle for a number of years.

### Brown Corp.

Brown Corp., Canadian subsidiary of Brown Co. and operating at La Tuque, P.Q., represents one of the most important high-grade pulp plants in Canada. This company is separately incorporated and the difficulties of the present concern have only indirectly affected it.

The La Tuque plant is designed to produce around 310 tons daily of quality sulphite pulp. Operations have been on a stabilized basis for some time.

Since commencement of the war capacity operations have been the rule and it is anticipated that sales of the company will be stepped up on completion of the present development programme. A substantial capital outlay has already been made in improving the wood handling facilities, but expansion of the mill itself has been deferred pending the complete reorganization of the parent company.

There has been considerable delay in reorganization of Brown Co., due to delay in securing final legal approval of the reorganization plan incidental to the advancing of loans by the Reconstruction Finance Corp.

When all plans have been completed, it is the intention to spend some $5 millions on doubling the capacity at La Tuque.

Net sales of Brown Corp. in the 1940 fiscal year totalled $8 millions, or about one third greater than the year before. After provision for substantially higher taxes, deferred bond interest, etc., there was a net profit of $921,827. This contrasts with a deficit on the same basis of $271,073 in the 1939 fiscal year.

Toward the end of last year, steps were taken by Brown Corp., to carry out a reorganization. The company had outstanding $3.8 millions of 5½% first mortgage bonds and $14 millions of common stock, all of which are held by Brown Co. Matured and accrued bond interest as at December 2, 1939, amounted to a little under $1 million. In addition, there was $117,000 of accrued interest on unpaid coupons at the same date, as well as certain obligations owing to the parent company.

Under the terms of the reorganization which were approved by the court, a new issue of $6 millions, 15-year, 6% first mortgage bonds were created, of which $5 millions were turned over to Brown Co. in settlement of all claims.

The increase in the bonded debt was offset by writing down the value of capital stock by $2 millions. This made it necessary, among other things, to readjust the value of Brown Corp.'s interest in the St. Maurice Power Corp. The latter asset is now shown on the books at $1,250,000.

By the plan, Brown Corp.'s claim against the parent company for $924,720 was settled by payment of 15% of that amount.

### Lake Sulphite

There is no change in the position of the bankrupt Lake Sulphite Pulp Co., which was incorporated for the purpose of operating a high-grade bleached sulphite and rayon pulp mill at Red Rock, Ont.

Original plans were to have this mill in operation by the early part of 1938. Due to various circumstances the mill was never completed and the company went into receivership. Contractors withdrew the partially installed equipment, and, it is understood, this equipment is now being installed in an extension to the British Columbia Pulp and Paper Co.'s plant on the coast.

All that remains of the company now is a plant structure and rights to various timber limits.

Numerous attempts have been made to reorganize the company. American interests have investigated and while there have been reports of a plan from time to time, no actual offer has been made to the receiver or security holders.

The rise in demand and price for sulphite pulp has made rehabilitation of the property more attractive, but still, apparently, not sufficiently attractive to new capital.

Approximately $4 millions to $5 millions will be needed to place the company in operation and on a sound financial footing.

### Abitibi

Though not classified as a pulp operator, Abitibi Power & Paper Co., is an important Ontario sulphite pulp producer. Primarily this company's operations are centred around the manufacture of newsprint, but the sale of surplus sulphite pulp provides it with an important source of revenue.

During the first half of 1941 shipment of bleached sulphite amounted to 40,014 tons. This contrasts with 35,947 tons and 19,288 tons in the like periods of 1940 and 1939, respectively.

Revenue from the sale of pulp is not broken down in the returns of the company, but inasmuch as the sale of bleached sulphite amounts to approximately 1/5 the newsprint tonnage, it may be assumed pulp contributes an important part of the company's revenue from the sale of both newsprint and pulp which in 1940 amounted to $22.5 millions.

### B. C. Pulp

Out on the Pacific coast the British Columbia Pulp and Paper Co. plant has been operating at capacity.

About four years ago this company spent $1 million on major plant improvements. Now it has undertaken a further $750,000 expansion programme, designed to increase production of bleached sulphite and rayon pulp by 40 tons daily at the two mills, one of which is located at Port Alice and the other at Woodfibre.

The expenditure is being made under special authority of the Canadian government in recognition of the importance of the pulp and paper industry in the nation's wartime economy.

This authority has been given in consideration of the fact that the added production will make available to Canada an estimated $1 million to $1,250,000 annually in United States exchange.

The company has been accorded a substantial tax concession under the recent amendment to the Income War Tax Act and the Excess Profits Tax Act. In effect this means B. C. Pulp will be permitted to write off its new investments in from three to four years.

The plant additions will permit expansion in production of more than 25%. In the 1937 additions the combined capacity of the two plants was brought to around 300 tons, but under pressure of wartime demands the plants actually have been producing about 350 tons daily.

In the expansion the company is able to make use of some of the equipment at the Swanson Bay plant which has not been in operation in recent years. Pulp screens, and drying equipment from Swanson Bay will be employed.

A new boiler will be installed at the Port Alice plant and for the Woodfibre programme the company has secured a boiler and steam turbine formerly used by Granby Consolidated Mining, Smelting and Power Co. at Anyox.

The digesters to be installed at each plant are those which originally were made for Lake Sulphite Pulp Co. and will be erected by the Dominion Bridge Co.

Dominion Construction Co., Vancouver, has been awarded the contract for constructing the buildings to house the digesters.

Operations and earnings of B. C. Pulp have fluctuated rather widely in past years. However, the company has demonstrated that given the volume of business it can set up substantial earnings, such as has been the case in the past two years.

Last year gross income totalled $2.3 millions, as against only $436,000 the year before. After making provision of $850,000 for taxes and an increase in depreciation reserve from $225,000 to $643,000, there was a net profit after all senior charges of $340,889. This was considerably better than in the year before.


RUBBER BELTS
Power Transmission
Conveyor
Elevator

RUBBER HOSE
Acid — Air Drill — Air Jack — Blow Pit — Divers — Fire — Oil — Oxy-Acetylene — Pneumatic Tool — Pulp Grinder (Reinforced) — Sand Blast — Steam Suction — Suction Box — Water.

OTHER RUBBER PRODUCTS

Band Saw Bands
Deckle Bars
Decker Sleeves
Bird Screen Bands
Bird Screen Strips
Couch Sleeves (Suction Press)
Flexible Coupling Plugs
Diaphragms Gaskets
Mats (Door)
Mats (Switchboard)
Matting Packings
Hard Rubber Pipe and Fittings
Hard Rubber Pumps
Rubber Lined Tanks and Fittings
Rubber Lined Pipe and Fittings
Rubber Lined Pumps
Rubber Springs
Truck Wheel Tires Tubings
Valve Discs (Radium)
Rubber Valves Washers
Automobile and Truck Tires and Tubes
Rubber Boots
Rubber Footwear

You can't beat THOROUGHBREDS!

"PERKY" OF GUTTA PERCHA

Everything in Rubber for The Pulp & Paper Industry

GUTTA PERCHA & RUBBER LIMITED

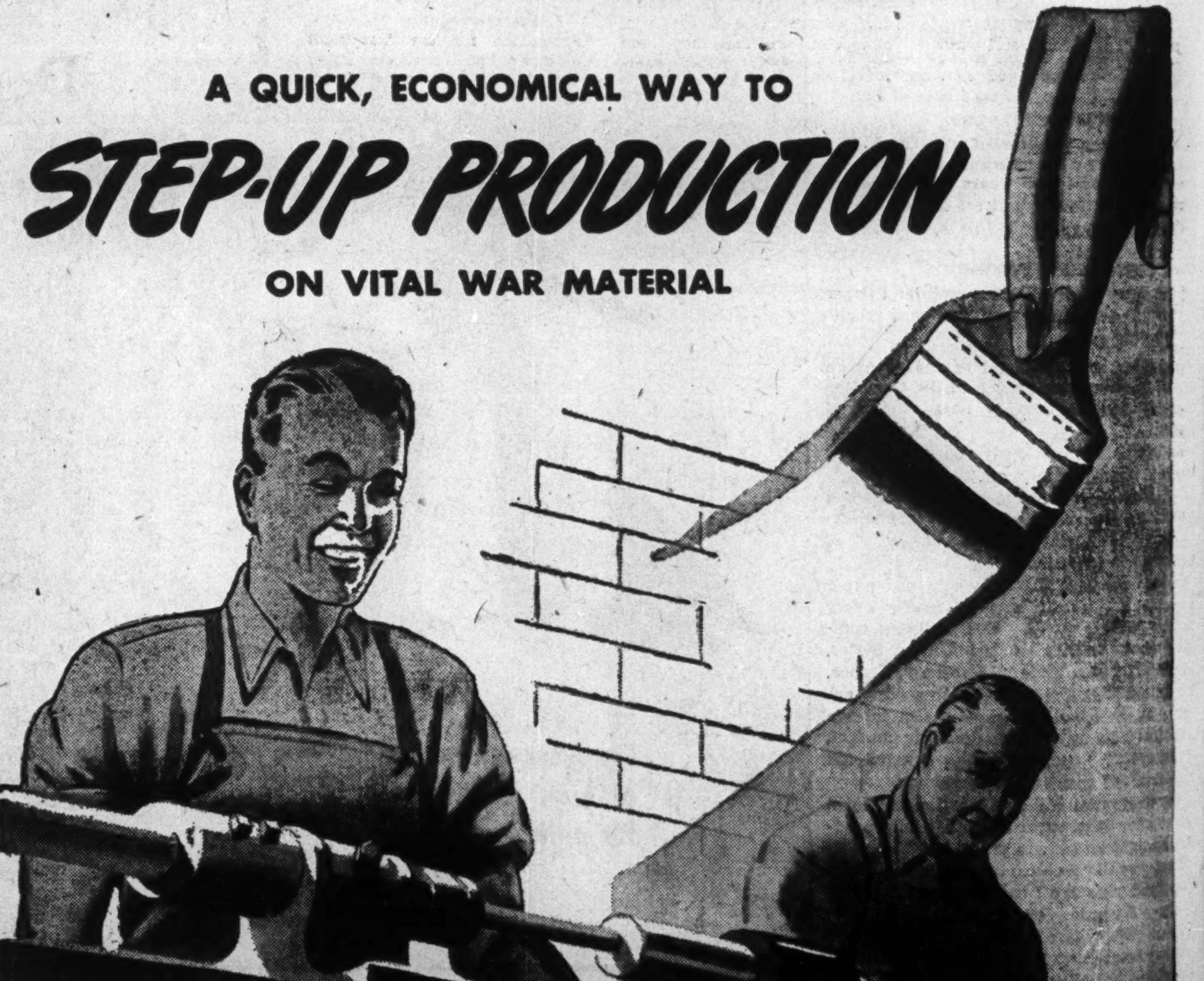
90-M-41



A QUICK, ECONOMICAL WAY TO

STEP-UP PRODUCTION

ON VITAL WAR MATERIAL



SAVE-LITE INCREASES WORKING LIGHT ...
REDUCES LIGHTING COST ...

Every day brings additional evidence that Sherwin-Williams Save-Lite is a paying investment. One coat on brick, wood, or cement walls transforms a gloomy plant into a bright cheery workshop—and keeps it that way. Production and morale go up . . . accidents and light bills go down.

Save-Lite reflects nearly 90% of available light without glare. It stays white — doesn't "yellow" or fade — is easily washed, and lasts for years.

Special types are available to resist chemical fumes and moisture.

Write for interesting facts and figures to the Sherwin-Williams Co. of Canada, Limited. Branches or depots in all principal cities.

*Sherwin-Williams paint engineers are each equipped with the "sight meter" and will gladly test the efficiency of the lighting in any part of your plant.*

THE SHERWIN-WILLIAMS CO.
SAVE-LITE
INTERIOR WALL ENAMEL



HEATING — VENTILATING DRYING:
Ross-Briner Economizer
Vapor Absorption Equipment
Ross-Grewin Equipment
Machine Room Ventilation
Grinder Exhaust
Heating for Finishing, Beater and Storage Rooms
Ross-Hooper Smelters
Drying and Conditioning
Unit Heaters, Filters
Fans—Blowers
Sheet Metal Work
Ross Conditioning Units
Ross Paper Machine Hoods
Supertherm Hot Water System for process and heating.

Ross-Briner Economizers Reduce Coal Consumption

The necessity for operating coal-fired boilers to generate steam increases the necessity for installing Ross-Briner Economizers.

The Ross-Briner Economizer by reclaiming and utilizing valuable heat units from waste vapor immediately reduces boiler loads, amount of coal purchased and used.

Ross-Briner Economizers are successfully combining air and water heating at substantial savings. Details for your individual requirements will be gladly supplied.

OIL OR GAS FIRED HEATING, DRYING AND PROCESSING EQUIPMENT:
Space Heating
Oil Fuel
Gas or Oil Fired Unit Heaters
Heat Exchangers
Dryers, High Temperature
Dryers, Direct and Indirect Heat
Dryers, Continuous and Progressive
Ovens, Drying and Conditioning
Portable Oven Panels
Conveyor Type Ovens

Manufacturers of Equipment for Pulp and Paper Mill Heating, Ventilating and Air Conditioning, Factory and Process Heating, High and Low Temperature Drying and Processing.

ROSS ENGINEERING OF CANADA, LTD.
Dominion Square Building - Montreal, P. Q.

# Newsprint Sets Long Range Policy

## Extension of 1938 Price Builds Publisher Goodwill

Price of Canadian newsprint paper continues unchanged until the end of the first quarter of 1942.

This means that the price of $50, set at the beginning of 1938, stands for a period of 4¼ years.

Such a record is unequalled by any other international commodity and is the most convincing evidence of the stand taken by the manufacturers at the beginning of the war—"no profiteering."

More than one reason might have been advanced, and justifiably, for an increase in the price of newsprint since the start of the war, but producers have refrained from taking advantage of war conditions to better their own position.

Over the course of the last 27 years, or since the time when Canadian-made newsprint started to become a factor in the U. S. market, the contract price has ranged from a low of $40 a ton in 1934-35 to as high as $112.60 in 1920. The average annual price over this period has been $62.23 a ton. The present price of $50 a ton, therefore, cannot be considered as other than moderate.

### Eliminate Differential

In setting a price of $50 a ton to the end of the first quarter in 1942 the Canadian manufacturers removed the differential of $1 a ton which has obtained between their price schedule and that followed by a group of American mills headed by Great Northern Paper.

This differential has been a minor but nevertheless difficult obstacle for the Canadian manufacturers to overcome in their marketing relations with American publishers.

In announcing the extension of their $50 price, a uniform price now prevails for newsprint in the United States, with the single exception of one small mill which earlier this year agreed to sell paper for $49 a ton until the end of 1941.

The price policy of Canadian newsprint manufacturers has been dictated by two considerations—rising costs and publisher relations.

During the past four or five years the producers in this country have adhered to a uniform policy where price of their product was concerned.

This followed many years of price cutting, rebates, etc., which made for a highly erratic and, at times, costly policy for the industry.

### Stabilized at $40

The biggest problem ever faced by the industry was in stabilizing prices. This it was able to do in 1934 at $40 a ton.

This was a "distress" price and returned little or no profit to manufacturers. As a matter of fact many companies went into bankruptcy and only a few were able to maintain capital obligations.

From this base, the industry slowly built up a stronger price schedule. In 1936 the price was advanced to $41 a ton, but not without considerable difficulty.

This was the first price advance in 12 years—previously the market had slowly but steadily dropped from an average of $81.80 a ton.

Further steps were taken to bring about greater cohesion among the manufacturers and in 1937 the price was stepped up to $42.50 a ton.

### "Profitable" Price

Following this the industry made a major move to establish the price basis on a profitable level. At $42.50 it was impossible for the operators to make any profit commensurate with the capital investment.

In 1937 the industry was operating at close to effective capacity and as some critics said "giving their paper away." About midyear the manufacturers took the plunge and raised the price to $50 a ton, at which level it was considered they could make a fair return on capital operating at a normal level of around 75% of capacity.

Heavy stocks were accumulated by the American publishers between time of the announcement and when it was to become effective—the beginning of 1938.

Liquidation of surplus stocks throughout 1938 placed a serious strain upon the newsprint industry, as the demand fell off to less than half of the effective capacity.

Despite the strain the industry held together on its sales policy and maintained the price throughout 1938 and up until the opening of the war.

### War Big Test

With the outbreak of the war the manufacturers were faced with a problem.

In the first place they could see a sharp rise in the demand for paper.

Secondly costs would increase.

There was justification for a "protective" price rise.

But overhanging the whole subject of price was the matter of consumer relations.

Until the industry got together and decided upon a common policy, relationships between manufacturer and manufacturer and as between manufacturer and publisher were unsatisfactory.

Because the Canadian industry had overbuilt in the 1926-1931 boom period, buyers used their bargaining strength to secure favorable terms from the operators.

Their excuse for this, in the face of their dependency upon Canadian sources for their supply of newsprint, was that they were buying newsprint paper wherever it was the cheapest.

But underneath it all the publishers had not forgotten the prices of 1914-18 war and the years immediately thereafter.

Moreover there had been occasional periods when a sellers' market arose, and when that happened the buyer took a beating.

### Co-operation

From 1936 to the fall of 1939 the industry took steps to improve relations with the publishers.

Such overtures naturally were regarded with suspicion by the publishers. But the manufacturers stuck to their policy and in many ways gave evidence that they sought to put their business relationships on a sounder and more friendly footing.

This was the situation when the war broke out.

After ten or more lean years the manufacturers were in a position where they could enforce a higher price for their product.

Immediately upon the outbreak of the war the Canadian newsprint manufacturers, through the Newsprint Association of Canada, issued a statement setting out their wartime policy.

Briefly the manufacturers said they would "make every possible effort to maintain stabilized conditions of continuous supply and to discourage methods of buying and selling which might cause a disorderly market."

Some publishers may have been skeptical about the sincerity of this statement. Now they have reason to think overwise.

In the intervening months all their requirements have been met in full and promptly and at the same price as they paid before the war.

During the first year of war there was no hardship experienced by the manufacturer in following this policy.

### Improve Position

The expected increase in orders materialized. Mills operated close to capacity. On top of the $50 price on sales in the United States — a market for nearly 80% of the total output — the manufacturers received a bonus of 10% on their income in U. S. funds translated into Canadian funds.

The financial statements of the newsprint operators covering 1940 operations exhibited a wide expansion in earning power and considerably stronger balance sheet position of the individual operators.

During the first year of war the rise in production was more than sufficient to offset the rise in costs. In effect, therefore, the premium received on sale of newsprint to American publishers was all "velvet."

### New Problems

This year it has been a somewhat different story.

Rationing of newsprint, exchange conservation and scarcity of available shipping space, has cut sharply into the deliveries ordinarily made to some of the Empire countries, particularly the two more important customers — the United Kingdom and Australia.

This is reflected in several ways. Production for the first eight months of 1941 is somewhat lower than for the like period a year ago. Shipments also have declined.

The net result of all this is that the operating ratio of the newsprint mills has declined a number of points, bringing in its wake rising overhead costs, etc.

### Costs Advance

Moreover there have been advances in wages of labor, costs of materials, administration costs, etc. Especially has there been a rise in taxation; in the case of net profits the federal tax rises 25% this year.

The cushion provided by the premium on sales paid for in U. S. funds has been eaten into until very little is left.

Offsetting this trend, on the other hand, is the fact that sales to American publishers have not only been maintained, but have actually risen to the extent of 3% to 4%.

This has meant the American dollar income of the operators for the current year has been moderately greater than a year ago, tending to offset the decline in Canadian dollar income from sales in overseas countries.

On a net basis the prospects were Canadian mills would not show an increase in net income this year; rather would they show a moderate decline.

This was the situation when two major developments occurred. First was the action taken by Great Northern Paper in announcing a price of $50 for newsprint in the last quarter of 1941. Compared with the previous quarter this meant an increase of $1 a ton and brought the price to parity with that charged by Canadian operators.

Recognition by Great Northern of the rising costs of manufacture gave rise to the expectation Canadian mills might take the opportunity of adjusting their prices upwards.

Such a move, of course, while giving the operators an additional revenue of between $2.5 millions for each $1 a ton advance and $3 millions, also meant a continuation of the differential with the Great Northern price.

### Influence on Price

About this time another development was taking place which altered the outlook for Canadian companies and considerably influenced their decision as to what policy they would adopt in respect to price for the months immediately ahead.

The decline in business left Canadian operators with a large amount of idle equipment. It is estimated the excess capacity of newsprint tonnage was better than a million tons, or about 25% of total capacity.

Arrangements were made with American buyers to utilize this idle manufacturing capacity in the production of certain specialty papers to take the place of kraft paper of which an acute shortage exists in the United States.

This completely altered the outlook for the Canadian mills at least as far as manufacturing was concerned during the balance of 1941.

The additional business promises to absorb practically all of the idle equipment; cut down administration charges and in turn the cost of producing a ton of newsprint and, moreover, give the operators concerned a large and important source of new revenue.

Many of the problems facing the industry were thus automatically solved and no great surprise was occasioned when the Canadian mills announced their price for newsprint would remain unchanged. There was some surprise when the period of six months was announced, explained by the fact that there was no public inkling of the fact that the mills had turned to products other than newsprint.

### Considered Sound

Continuation of the present price policy is viewed by observers as one of the soundest and most astute moves made by the Canadian industry in many years.

It emphasizes again, if such emphasis were needed, that the manufacturers do not intend to profiteer by the war;

That they recognize the problems confronting the publishers in rising costs and increased competition;

That the goodwill engendered by maintenance of fair price policy should, if anything will, assure retention of new business developed in the past two years and continuation of old business.

In foregoing temporary profits, the industry has invested heavily in future goodwill of the American publishers.

It is an investment which should pay big returns.

### Given Lowest Tax Rating

For purposes of taxation Canada's pulp and paper industry has been classified as a "depressed industry." This is a general ruling and, of course, does not apply to all manufacturers as some of them have been able to establish consistently good earnings during the base tax years.

On the whole manufacturers of newsprint, pulp, papers, etc., will pay to the government in the form of income and "excess" profits taxes 40% of their net income. This is the minimum basis and for 1941 the tax bill will be one-third higher than in 1940, when the income and "excess" profits tax was on a minimum basis of 30%.

### 7 Million Cords

Pulpwood production in Canada this year is estimated at around 7 million cords, of which 5½ million cords will be further processed and the balance exported to the United States.

### 100 Mills Busy

Canada now has 100 pulp and paper mills in operation. Of this number, 27 produce pulp; 49, pulp and paper; and 24, paper.


STEEL TANKS AND PLATE WORK

For almost 30 years we have built tanks and steel plate work for the paper industry. This includes elevated steel tanks in standard capacities of 5,000 to 2,000,000 gallons for general service and fire protection; flat-bottom tanks for the storage of oil, water, and pulp; spherical acid accumulators; digesters; barking drums; steel smokestacks and bins. We also design, fabricate and erect special steel plate work. If you need any kind of fabricated steel plate work, either welded or riveted, write our nearest office for information, estimates, or tenders.

Left: Standard spherical acid accumulator. Below: Flat-bottom steel storage tank with conical roof. Right: Elevated steel water tank with conical roof and ellipsoidal bottom.

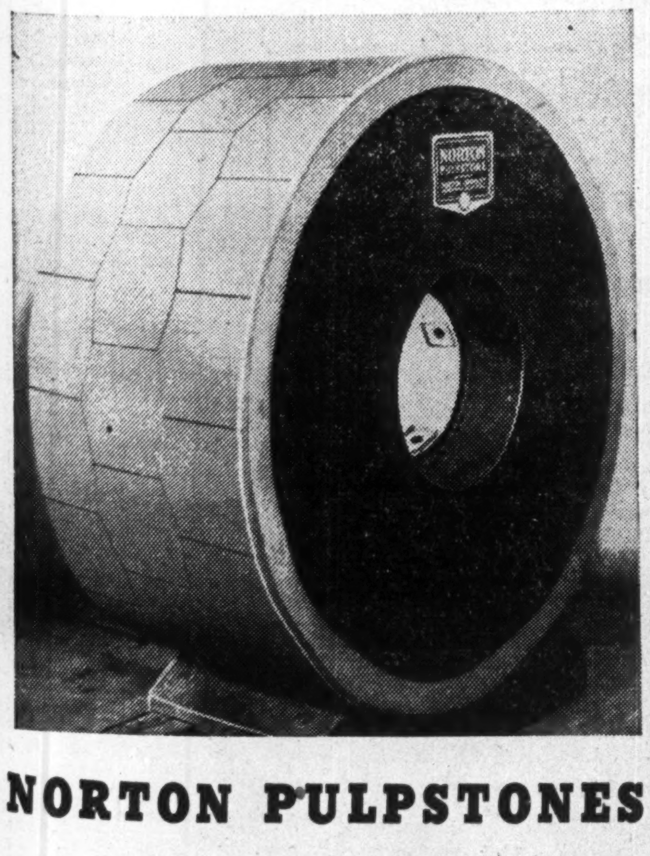
HORTON STEEL WORKS LIMITED

TORONTO, ONT. FORT ERIE, ONT. MONTREAL, QUE.

Representatives:

Mumford Medland, Ltd., Winnipeg — Gordon N. Russell, Vancouver





NORTON PULPSTONES

NORTON GRINDING WHEELS are used in every industry, from giant Pulpstones to tiny mounted points. For the Home Craftsman . . . Norton INDIA Oilstones, Files, Handy Andy Grinders, etc. Ask your Hardware Dealer.

are reducing costs and raising the quality of pulp produced in many Canadian Mills.

NORTON COMPANY OF CANADA LIMITED

HAMILTON ONTARIO

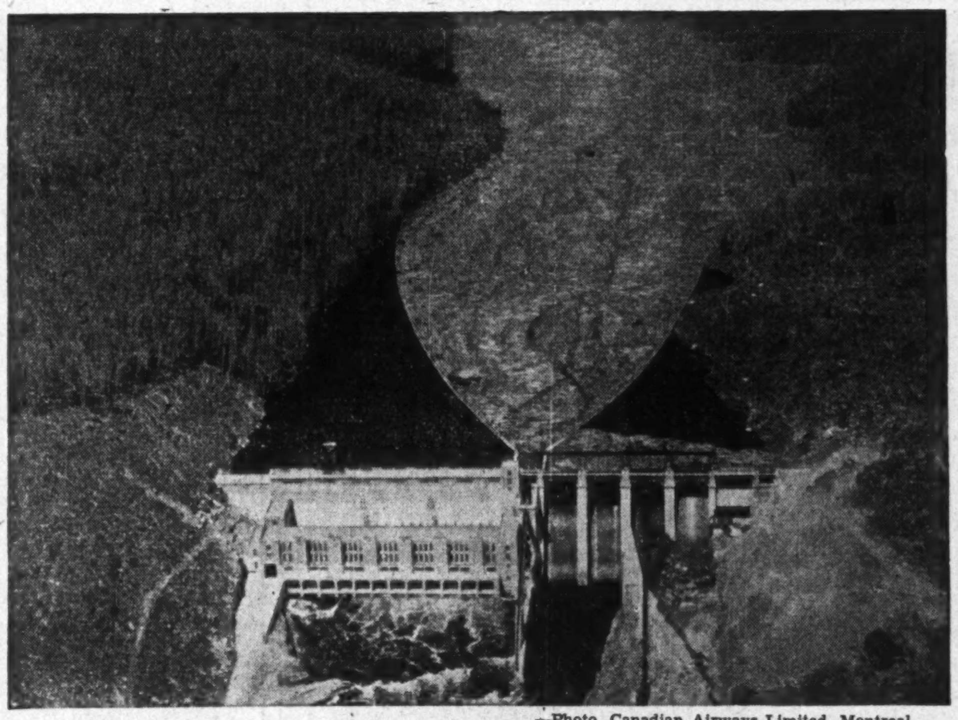
NORTON ABRASIVES



POWER CONTRIBUTES TO THE SINEWS OF WAR

The Resources of the St. Maurice Valley — Power and Forest — Combine to Form Dominion's Largest Manufacturing Industry

V



V

—Photo, Canadian Airways Limited, Montreal.

*Air view of Rapide Blanc Power Development of The Shawinigan Water & Power Company, on the upper St. Maurice River, showing a large accumulation of pulpwood and other logs on their way to the mills in the lower part of the valley.*

Almost as if intended to demonstrate the important part they are destined to play, the logs shown in the above view form a Victory "V," while awaiting their turn to pass over the dam.

Power from this plant and from others owned and operated by The Shawinigan Water and Power Company will be used in converting these logs to pulp and paper for the markets of the world. Huge quantities are exported, mostly to the United States, which at the present rate of shipment would in one year make available to the Government no less than $250,000,000 of U.S. funds and other foreign exchange, a factor of supreme importance to Canada's War Effort.

Nearly one-fifth of the pulp and paper produced in Canada is made with Shawinigan power.

The Shawinigan Water & Power Company

MONTREAL BUY WAR SAVINGS CERTIFICATES AND HASTEN VICTORY CANADA

# Newfoundland Newsprint Mills Play Vital Role

## Island Producers are Expanding Their Trade With the United States Market

Newfoundland's two newsprint mills are assuming greater importance in the North American newsprint picture. Ordinarily, this would not be the case, as under peacetime conditions a large percentage of the output is marketed by the two operators with associated interests in England. The rationing of newsprint consumption in the United Kingdom, together with shipping difficulties, has brought about a situation where Newfoundland newsprint is being marketed in more direct competition with Canadian mills in the United States market.

Indications at present are that the island's production of newsprint in 1941 will be at or near a record peak. In 1940 the two mills produced 352,585 tons, establishing an all-time high. For the first eight months of 1941, output totalled 234,390 tons compared with 231,777 tons in the like period of 1940.

The monthly trend of newsprint production in Newfoundland in the last four years follows:

**Newfoundland Newsprint Output**
(In Tons)

| | 1941 | 1940 | 1939 | 1938 |
|---|---|---|---|---|
| Jan. ..... | 32,074 | 32,043 | 22,543 | 22,852 |
| Feb. ..... | 27,815 | 28,944 | 22,129 | 22,572 |
| Mar. ..... | 29,423 | 19,527 | 24,809 | 25,354 |
| Apr. ..... | 26,605 | 28,223 | 23,398 | 20,896 |
| May .. .. | 28,725 | 31,033 | 22,298 | 19,989 |
| June .... | 29,603 | 30,262 | 22,937 | 20,188 |
| July . .. | 28,292 | 30,019 | 25,795 | 20,972 |
| Aug. ..... | 30,853 | 31,724 | 30,620 | 12,977 |
| Sept. .... | ..... | 29,990 | 27,390 | 22,298 |
| Oct. .... | ..... | 31,573 | 29,450 | 23,906 |
| Nov. ..... | ..... | 31,254 | 30,359 | 29,644 |
| Dec. ..... | ..... | 27,991 | 26,313 | 26,755 |
| Total .... | | 352,585 | 308,041 | 268,404 |

### New Markets Developed

The growing interest in the Newfoundland situation is not so much in the increased output as in the marketing of Newfoundland paper. In 1938, for example, shipments totalled 264,328 tons with 204,250 tons marketed in the United Kingdom and other overseas countries and only 58,283 tons in the United States.

As a result of the war, shipments to the United Kingdom have been sharply curtailed; those to the United States greatly increased; and new markets opened up, especially in the Australasian field. Thus, last year Newfoundland shipped to the United States 172,903 tons of newsprint and 195,530 tons to overseas countries.

### More to the U. S.

The changed position of the Newfoundland newsprint market is to be seen more clearly in the current year's figures. To the end of August, shipments to the United States totalled 158,644 tons or 56,000 tons more than a year ago. In the same period deliveries overseas totalled only 68,870 tons, or well under half of that reported in 1940.

This change is reflected in another way. During the first seven months of 1941, Newfoundland supplied 6% of its total imports of newsprint paper into the United States, whereas for the same period of 1940, the percentage was only 4. Ordinarily, Newfoundland provides the States with around 3% of its requirements.

### Trend of Shipments

The trend of shipments overseas and to the United States market, by months, since the beginning of 1940, is set out in the table below. Only the two years are shown, as this covers the period of greatest development of the new trend.

**Newfoundland Newsprint Shipments**
(In Tons)

| | To U.S.A. 1941 | To U.S.A. 1940 | To Overseas 1941 | To Overseas 1940 |
|---|---|---|---|---|
| Jan. ..... | 12,469 | 12,412 | 17,239 | 17,641 |
| Feb. ..... | 19,602 | 6,593 | 3,785 | 13,529 |
| Mar. ..... | 17,800 | 12,890 | 3,621 | 12,764 |
| Apr. .... | 14,772 | 7,476 | 13,687 | 20,621 |
| May ..... | 17,554 | 20,765 | 5,905 | 21,958 |
| June .... | 22,871 | 15,895 | 9,289 | 19,916 |
| July .... | 28,669 | 14,126 | 5,055 | 30,542 |
| Aug. .... | 35,255 | 12,123 | 10,289 | 11,518 |
| Sept. .... | ..... | 16,146 | ..... | 13,934 |
| Oct. ..... | ..... | 14,175 | ..... | 17,164 |
| Nov. ..... | ..... | 17,123 | ..... | 9,403 |
| Dec. ..... | ..... | 23,179 | ..... | 6,540 |
| Total .... | | 172,903 | | 195,530 |

### Compete With Canada

In a sense the growing importance of Newfoundland newsprint in the United States market can be regarded as a temporary situation brought about by the war. On the other hand, the American market has always been the more profitable one for newsprint manufacturers and there is the possibility, which should not be overlooked, that the two Newfoundland mills may establish a permanent foothold in that area. In that event, in the after-war period, Newfoundland would have to be considered in conjunction with the Scandinavian countries, as a competitive factor with Canadian newsprint.

### Bowater's

Newfoundland's newsprint mills are located at Corner Brook and at Grand Falls. The Corner Brook mill is operated by Bowaters Newfoundland Pulp and Paper Mills Limited, which is controlled by Bowater's Paper Mills Limited, London, England.

Newsprint production reached record proportions in 1940, totalling approximately 198,000 tons, compared with the previous peak of 181,931 tons in 1937, and 161,724 tons in 1938.

Heavy capital outlay has been made by the company in recent years to improve existing equipment and maintain quality of production. Agreement with the government calls for increase in production to 204,000 tons annually, but present output is exceeding this rate.

Additional newsprint output has necessitated increase in groundwood pulp capacity by adding to existing grinders. Many changes and new equipment have been made on the paper machines. Extensions have been made to the finishing room for the handling of a larger number of rolls. Improvement has also been made to the wharf and shipping facilities.

### New Sulphite Mill

Under the terms of the agreement entered into between the company and the Newfoundland government, the former agreed to spend $4 millions on a new sulphite pulp mill. This plant, which is designed for an annual capacity of 30,000 tons, was brought into operation last spring.

Originally it was the intention to market the entire output of the sulphite plant with the parent company in England. It is problematical whether this arrangement can be carried out at present, but in view of the fact that there is a strong market for sulphite pulp in the United States, indications are that all or the greater part of the output of the new unit will be sent to that market.

The agreement with the government also gives the company the right to cut for export 50,000 cords of pulpwood annually and, four years after the sulphite plant is in operation, to cut for export an additional two cords of raw wood for every ton of sulphite manufactured, and half a cord for every ton of paper in excess of the company's normal capacity.

Over the past year the company lost the S. S. Humber Arm which increased shipping difficulties. A vessel has been chartered to replace the lost ship.

### Earning Power Up

Reflecting the increased scale of operations in 1940, Bowater's Newfoundland's, net revenue before depreciation of fixed charges was $2.9 millions, compared with less than $2.2 millions in the previous year. In addition, the company had profits of an exceptional nature on foreign exchange and steamships in 1940, which were transferred to reserves. Net profit after all charges amounted to $1 million last year, compared with $341,696 in 1939.

Working capital increased to $8 millions as at the end of last year, from $5.4 millions at the close of 1939. Cash was reduced from $1.1 million to $520,000 at the end of 1940, with accounts receivable and inventories increased and the bank loan of $1.4 million at the end of 1939 was liquidated during the year.

Present indications are that, despite additional operating costs, dollar income will be on a larger scale this year, reflecting not only the maintenance of newsprint output, but additional income from sulphite pulp sales.

### Anglo Newfoundland

Anglo Newfoundland Development Co., which operates the other newsprint plant in Grand Falls, is one of the major units of the North American newsprint industry. Normally, the company supplies the London Daily Mail and associated companies with newsprint, and also controls Terra Nova Properties, which hold a 50% interest in Buchans Mine, the big Newfoundland base metal producer.

Operations of the pulp and paper plant have been close to effective capacity for some time past, and there is little likelihood of any change in this position during the balance of the current year. Because of rationing and the difficulties of shipping to the United Kingdom, the company has been obliged to develop other markets, particularly in the United States and South America. There has been no difficulty in disposing of the output.

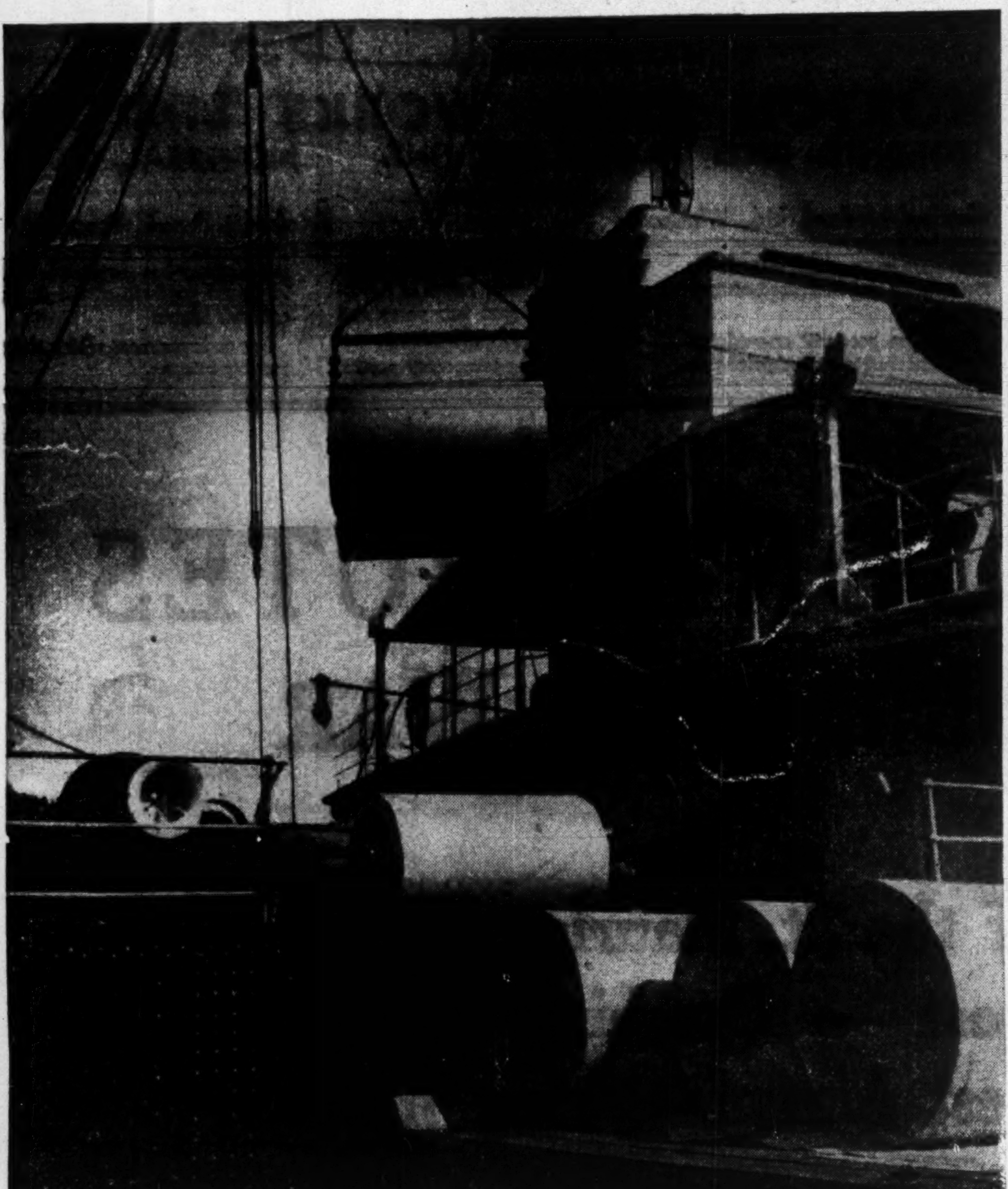
### Sell More Pulp

Anglo Newfoundland also has benefitted by the strong demand in the American market for sulphite pulp. In 1938, when newsprint operations were at a low point, the company took advantage of the slack period to place itself in a position to supply a larger quantity of sulphite pulp for sale on the open market. Improvements were also made to the newsprint unit and the power development increased, with the result that the company was in an excellent position to take advantage of the changed pulp and paper market.

Last year, Anglo Newfoundland reported net profit of $656,311 compared with $582,130 in 1939. Earnings on the outstanding capital amounted to 7⅝% a share in 1940 compared with 6¾% in the preceding year. Dividends of 5% were paid in both years.

These returns do not include any dividends from the Terra Nova interests, reflecting entirely the betterment in the pulp and paper branch of the company's activities. In 1939 the dividend from the Terra Nova property amounted to $516,285, so that last year the pulp and paper branch reported a net improvement of nearly $600,000.

The interest in the Buchans Mine represents an important asset of the company. In 1939 Buchans produced 200,000 tons of concentrates and employed 730 men full time. Since the outbreak of war, operations have been placed, for the most part, under government control. No particulars are available as to operations or profits of the property, which in the past has been an important source of income for Anglo Newfoundland Development Co.



—Editorial Associates photo.

Newsprint is here being loaded on board a Canadian ship. Shortage of shipping space has been one of the many difficulties encountered by the industry since the outbreak of war.


Dependable CHAIN

ELECTRIC WELD
FIRE WELD
BUTT WELD
LAP WELD

In all Qualities

WELDLESS CHAIN of Many Patterns -- For Many Purposes.

The COMPLETE CHAIN LINE from SHIP'S ANCHOR to PLUMBER'S SAFETY

ENQUIRIES FOR MANUFACTURERS SPECIAL REQUIREMENTS RECEIVE PROMPT AND IMMEDIATE ATTENTION

DOMINION CHAIN
COMPANY LIMITED
NIAGARA FALLS, CANADA

The Bowater's Mill at Corner Brook where the new Sulphite Mill has recently gone into production, adding 100 tons to the daily capacity.

BOWATER'S
NEWFOUNDLAND PULP AND PAPER MILLS
LIMITED

BOWATERS · CORNER BROOK · NEWSPRINT

ADVANTAGEOUSLY SITUATED

Five Paper Machines with a Daily Capacity of 665 tons.
Export Sulphite Pulp Capacity 100 Tons Daily.
Located at Tidewater with Harbour Facilities for Loading of Ocean Vessels.
Timber Holdings Consist of 11,000 Sq. Miles with an Estimated Stand of 20 Million Cords of Pulpwood.
Hydro-Electric Plant with an Installed Capacity of 150,000 h.p.

CORNER BROOK, NEWFOUNDLAND

One of the company's modern steamships for carrying newsprint to the markets of the world.

Deer Lake Hydro-Electric Plant. Installed capacity 150,000 h.p.

# Kraft Producers Go All Out

## Huge Export and Domestic Demand

With improvement in sales on both domestic and export account, earnings of Canadian kraft pulp and paper operators have undergone further expansion and net income for the curret year is likely to be the best in some time.

Manufacture of kraft paper, one of the major divisions of the pulp and paper division, has undergone a marked change in recent years. At one time kraft paper was considered a minor product. Its use was limited largely to wrapping paper and grocery bags.

Research and successful sales promotion have greatly widened the use of kraft paper and brought about a better appreciation and realization of its usefulness. Because of its strength, kraft paper is ideally suited for wrapping purposes, kraft liner and other products subject to great wear and tear.

### Grew Too Fast

Prior to the war, the industry suffered from indigestion due to too rapid growth. This applied more to the American than the Canadian industry.

But the Canadian industry was affected by the fact that in endeavoring to find a market for surplus capacity, American manufacturers dumped their kraft products on the Canadian market.

With the improvement in the domestic picture and the cutting down of sulphate pulp imports from Europe, American producers have been confining their efforts to the domestic market. An indirect result has been a considerable strengthening in the Canadian market situation.

### Big Export Trade

Another contributing factor for the better Canadian situation is the heavy increase in export sales. Normally Canadian mills carry on a small kraft export business with about two thirds of overseas shipments finding their way to England and the balance to South Africa, the Orient and elsewhere.

Last year kraft paper exports reached record proportions. The gain was due largely to the increased demand from British South Africa. While sales to England are still substantial, the South African market has come ahead rapidly and is now a leading outlet for Canadian kraft.

In addition, other markets have been opened up or developed on a much larger scale, while the domestic demand has improved greatly as a result of increased business arising out of the war effort.

The kraft paper section of the industry has been operating at a high rate of capacity for many months past and there is no reason to assume that this condition will undergo any material change in the near future.

Canadian kraft paper plants are concentrated in the eastern area.

### Bathurst P. & P.

One of the largest is Bathurst Power and Paper Co., whose large plant at Bathurst, N.B., produces kraft liner board and folding box board. This is in addition to a newsprint capacity of some 70 tons a day.

Both output and earnings of Bathurst to date in 1941 have been ahead of comparable 1940 months. Operations in the kraft liner board and folding box board and unbleached sulphate pulp continue on an excellent scale. Price adjustments in the liner board and box board made about a year ago have been unchanged in order to rectify former unsatisfactory inventory conditions.

Large volume output continues, with substantial quantities of the company's production going to export markets, particularly the United Kingdom.

**Current Income Higher**

During the first six months of the current year, net profits totalled $406,637 after provision for depreciation, depletion, income and excess profits taxes.

This was equal to $1.01 a share on the Class "A" stock.

Net profit for the first half of 1940 was $342,559, equivalent to 85 cents a share on the Class "A" stock.

Income and excess profits tax was calculated for the first half of the current year at 40%, or $406,637, while provision for this purpose in the corresponding period last year was made at the rate of 30%.

Net working capital at June 30, 1941, totalled $3.1 millions, compared with $2.8 millions at the close of 1940, an improvement of nearly $300,000.

**Sales of $5½ Millions**

Last year the company had net sales of nearly $5.5 millions, an increase of $1.9 million over the year before. After setting up $504,518 for income taxes, as against $16,237 the year before, net profit of $786,542 was equal to $1.98 on the Class "A" shares. This contrasts with $81,196, or 21 cents a share on the same stock the year before.

A new item on the company's 1940 balance sheet was a liability of $120,000, representing purchase money notes due for the one year from date. This reflected acquisition during the year of 175 sq. miles of timber limits containing upward of 500,000 cords of spruce pulpwood.

Capital additions to plant and equipment last year totalled value of $411,112.

### Wayagamack

Quebec supports two kraft plants, one operated by the Wayagamack division of Consolidated Paper Corporation and the other by Brompton Pulp and Paper Co.

Wayagamack is one of the oldest kraft operators in the Canadian field, having started operations about 30 years ago. The company produces both newsprint and kraft pulp and paper. The latter plant is the more important, capacity of the unit being around 130 tons daily of both kraft pulp and paper.

No particulars of operations or income are available for the Wayagamack division, such returns being consolidated with those of the parent company. It is understood, however, that operations have shaped up well, contribution to the earning power of the parent company being an important one.

Particulars in respect to the parent company are covered in detail in the newsprint section.

### Brompton

Brompton Pulp and Paper Co., wholly owned subsidiary of St. Lawrence Corp., is not unlike Wayagamack in that there is no direct public investment interest in the enterprise, while its principal source of revenue comes from kraft paper and newsprint.

In its Canadian plant Brompton operates three kraft machines with a maximum capacity of 130 tons daily. The Claremont, N. H., plant also has three machines with an aggregate capacity of 50 tons daily.

Collectively, the six machines are capable of producing 54,000 tons of kraft annually, which makes this division one of the two major sources of income for the company.

Particulars of the financial returns of this company, which are incorporated in the report of St. Lawrence Corp., are set out elsewhere.

### Dryden

The other eastern Canadian kraft operator, Dryden Paper Co., operates a large kraft paper plant at Dryden, Ont. The plant has an annual capacity of about 25,000 tons of sulphate pulp, of which 15,000 tons are manufactured in the finished product, the balance sold in the United States.

**More Profits in 1940**

Both operations and earnings of the company have undergone an improvement. Operating income in the 1940 fiscal year at $313,568 was the best in the last ten years, and nearly double that reported in 1939. Following its usual custom, the company, after bond interest, charged the balance off to depreciation and depletion. Reserve for the latter in 1940 totalled $215,257, as against only $88,252 the year before.

Reflecting the sharp improvement in operating income, working capital at the end of the 1940 year totalled $556,286.

**Quarter Output Scheduled**

In the last financial statement the president, F. A. Sabbaton, stated in part: "With maintenance of present pulp and paper prices and the expectation of increased production due to relief of existing power shortage, it is hoped that in the coming year your company may be enabled to show substantial increased earnings."

**Expect Larger Earnings**

When it is considered that the operating results for last year were achieved in the face of material reduction in capacity of both pulp and paper due to a water shortage, the expectation of materially higher earnings by the president for the year ended this month should be realized.

During the past year an appraisal of the company's properties was carried out by the Canadian Appraisal Co. As a result, the net reduction in value, amounting to $766,285, after applying depreciation reserve, was charged against the capital surplus. The latter now stands at $194,300.

# Maritime Mills Push Vital War Manufacture

Canada's maritime provinces boast of three newsprint properties, which between them and operating at capacity, can produce around 325,000 tons annually. Last year these mills turned out approximately 270,000 tons of newsprint, a rate which has been followed closely during the current year.

Collectively these three units have an important influence upon maritime economy. The Liverpool plant, operated by Mersey Paper Co., is the only newsprint mill in Nova Scotia and its capacity operations provide regular employment on a large scale and the distribution of large sums of money each year for supplies, etc. In New Brunswick, the New Brunswick International Paper Co.'s mill at Dalhousie and the plant of the Bathurst Power and Paper Co. at Bathurst play an equally important part in the welfare of that province.

### Mersey Paper

Mersey Paper Co. continues to operate its mill on a capacity basis. Ever since the plant was brought into operation late in 1929 capacity has been gradually stepped up until today it is in the neighborhood of 320 tons daily compared with the original rating of 250 tons a day.

Operations have been maintained at capacity ever since the plant was opened. Practically the entire output is exported, mostly to the United States, but some goes to Australia and South America. Because the mill is located on tide-water, the company is in an exceptional position to handle export business at a relatively low cost.

Earning power of Mersey Paper Co. has shown a consistent rise in the last six years, due mainly to better prices for newsprint and, since the fall of 1939, to the premium on American exchange. Thus net earnings from 1935 to 1940 advanced from $746,624 to over $1.4 millions.

Up to 1938 it was the custom of the company, after providing for interest on bonds and loans, to write off the balance of earnings against depreciation. Since 1939, however, the company has shown a profit on its capital stock.

As a consequence of the improvement in revenue, steps were taken to bring about a capital reorganization, wiping out accumulated arrears of dividends on the preferred stock. A dividend of 3% on account of arrears was paid on the preferred stock in January, 1941. This was the first payment since liquidation of arrears in 1937. At July 1, 1941, after giving effect to this payment, arrears on the preferred stock were 13½%.

Present indications are that earnings for 1941 will be as satisfactory as those for 1940, which should result in further dividends on account of arrears.

### New Brunswick International Paper

Operations and earnings of New Brunswick International Paper Co. are consolidated with those of the parent company, Canadian International Paper Co., so that it is not possible to give any detailed particulars of performance.

The New Brunswick mill was completed substantially during 1929 with two machines having a combined capacity of 275 tons a day. The first run of newsprint was made in February, 1930. The third machine commenced operations during November and the fourth in December of the same year. Ultimately six machines will be installed having a combined capacity of 825 tons a day. This would make the Dalhousie unit one of the largest newsprint mills in the world.

Operations at Dalhousie during the current year have been somewhere between 70% and 75% of rated capacity. This would indicate a production of about 150,000 tons annually.

### Bathurst P. & P.

Bathurst Power and Paper Co. operates the third maritime newsprint plant at Bathurst, N.B. Originally this plant was devoted solely to the manufacture of newsprint paper, the company having two machines with a daily aggregate capacity of 140 tons. At the bottom of the depression steps were taken to convert one of the newsprint machines to kraft liner board. This move was so successful the company concentrated its activities on the kraft division.

With the improvement in the newsprint market around 1937, the company took steps to bring the remaining unit back into operation. Production has been carried on continuously ever since and while the Bathurst mill is not regarded as a big newsprint producer, still the production of that product rounds out the company's activities.

Over the last year and a half Bathurst has been producing newsprint at a rate of about 50 tons daily. With the premium on American funds, etc., revenues from the newsprint division have become increasingly important, though the greater part of the company's income is still derived from kraft operations.

Sales of Bathurst Power and Paper reached record proportions of nearly $5.5 millions in 1940, due, in part, to the contribution made by the newsprint division. This rate of gross dollar income should be maintained, if not increased, during the current year.

Further particulars on the operations and earnings of the company are given elsewhere in this issue.

# New York Leads In Use of Paper

Consumption of newsprint by states in the United States during 1940 is estimated at 2,910,677 tons by the American Newspaper Publishers Association. This contrasts with 3,033,378 tons in the previous year.

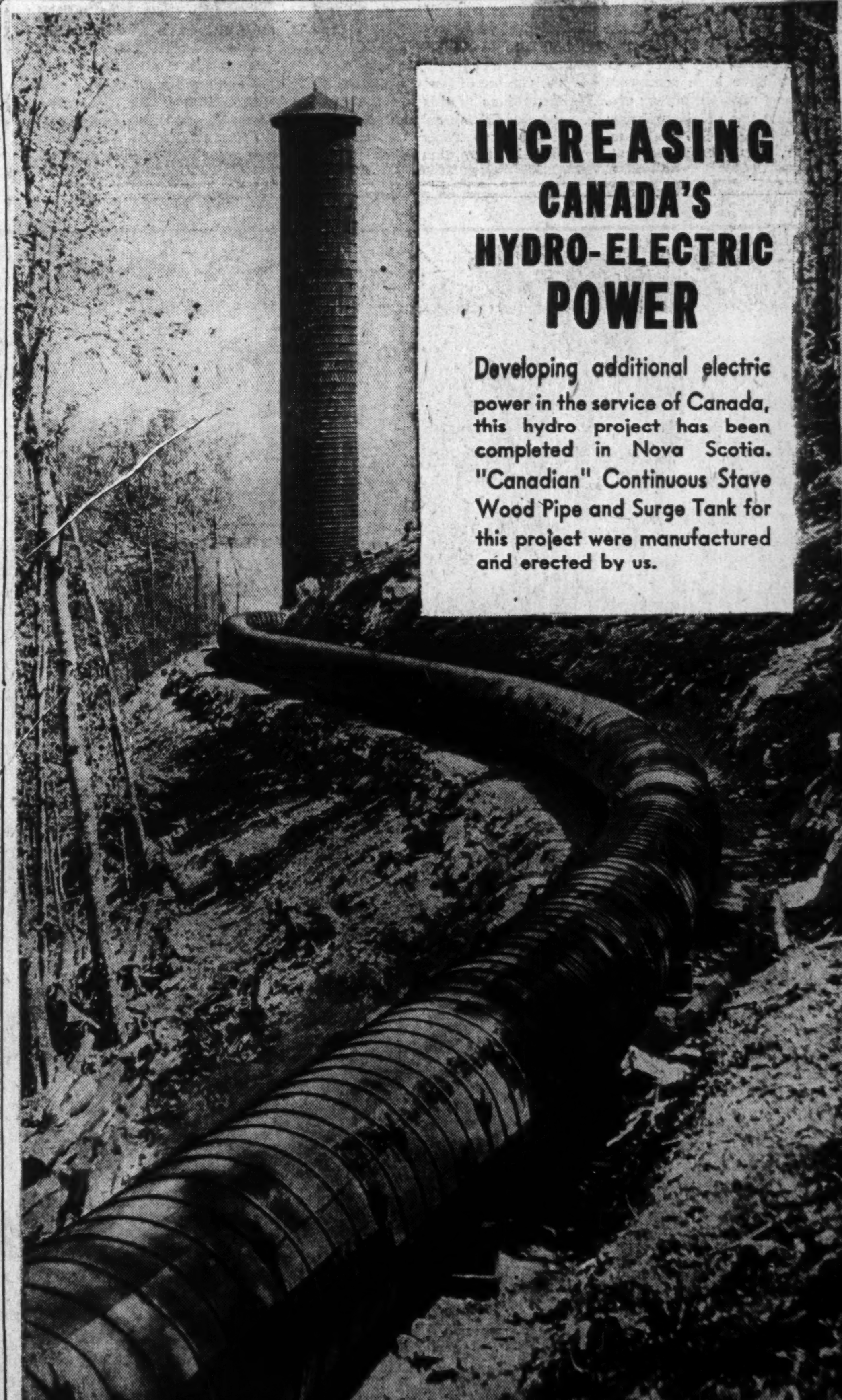
**U. S. Newsprint Consumption by States (In Tons)**

| | 1940 | 1939 |
|---|---|---|
| Alabama | 19,983 | 17,745 |
| Arizona | 4,494 | 4,305 |
| Arkansas | 7,983 | 8,818 |
| California | 272,123 | 221,149 |
| Colorado | 27,105 | 26,015 |
| Connecticut | 31,237 | 30,998 |
| Delaware and Maryland | 68,968 | 66,802 |
| Dist. of Columbia | 58,752 | 56,219 |
| Florida | 35,390 | 32,352 |
| Georgia | 35,335 | 33,019 |
| Idaho | 3,192 | 3,277 |
| Illinois | 337,831 | 321,264 |
| Indiana | 50,044 | 56,453 |
| Iowa | 42,082 | 40,970 |
| Kansas | 17,581 | 16,584 |
| Kentucky | 26,938 | 25,679 |
| Louisiana | 32,525 | 33,769 |
| Maine | 8,478 | 8,529 |
| Maryland (see Delaware) | | |
| Massachusetts | 139,653 | 171,521 |
| Michigan | 140,145 | 128,437 |
| Minnesota | 63,646 | 53,706 |
| Mississippi | 1,897 | 3,260 |
| Missouri | 118,926 | 112,495 |
| Montana | 3,804 | 3,419 |
| Nebraska | 18,247 | 20,084 |
| Nevada | 1,116 | 819 |
| New Hampshire | 2,939 | 2,707 |
| New Jersey | 43,876 | 49,886 |
| New Mexico | 2,517 | 1,978 |
| New York | 681,271 | 694,994 |
| North Carolina | 25,925 | 25,076 |
| North Dakota | 3,271 | 2,697 |
| Ohio | 126,698 | 158,606 |
| Oklahoma | 26,600 | 26,800 |
| Oregon | 28,540 | 24,908 |
| Pennsylvania | 147,608 | 256,581 |
| Rhode Island | 18,125 | 17,834 |
| South Carolina | 9,679 | 8,500 |
| South Dakota | 3,480 | 2,963 |
| Tennessee | 36,347 | 23,879 |
| Texas | 89,263 | 89,218 |
| Utah | 10,892 | 10,771 |
| Vermont | 2,209 | 1,815 |
| Virginia | 25,000 | 27,183 |
| Washington | 39,963 | 37,085 |
| West Virginia | 9,264 | 14,552 |
| Wisconsin | 55,193 | 55,327 |
| Wyoming | 542 | 920 |
| Hawaii | 3,990 | 3,410 |
| Total | 2,910,677 | 3,033,378 |

DONNACONA PAPER COMPANY, LIMITED
Operates
WOODPULP and SULPHITE PULP MILLS
and Manufactures
NEWSPRINT » DONNACONA BOARD
AND OTHER PULPWOOD PRODUCTS AT THE COMPANY TOWNSITE OF DONNACONA, P.Q.
This site is located on tide-water on the St. Lawrence River at the mouth of the Jacques Cartier River affording excellent water transportation.
The Company's timber limits, excellently located in relation to its plant, contain over 4,250,000 cords of wood.
The Company also owns valuable water powers, developed and undeveloped, situated within a few miles of Donnacona.
CAPACITY OF MILLS
85,000 Tons Newsprint
96,000 Tons Groundwood Pulp
45,000 Tons Sulphite Pulp
75,000,000 sq. ft. Insulating and Building Board
HEAD OFFICE
44 ST. LOUIS STREET, QUEBEC CITY

ALL OUT FOR VICTORY

Mills
Fort William, Ont.
SERVING EXPORT TRADE
EXPORTS 99.7% of TOTAL PRODUCTION
Mills FORT WILLIAM Ont.
The Great Lakes Paper Company LIMITED
TORONTO OFFICE 55 York St.




CANADIAN WOOD PIPE & TANKS
LIMITED
550 PACIFIC STREET VANCOUVER B.C.

# Canada's Newsprint Mills Serve the Democratic World

## Quotas and Restrictions Cut Into Overseas Trade—U. S. Sales Gain Keeps Returns High

Production and, in turn, sales of Canadian newsprint paper in 1941 are expected to aggregate about 200,000 tons less than in 1940. On the other hand, net dollar income of the operators is expected to show very little difference from that reported for the previous year, due to larger income from sales in the United States.

Production since the beginning of the year has amounted to 2,207,671 tons to the end of July. This was roughly 84,000 tons less than the like period of 1940, which was the second best on record.

The anticipated drop of 200,000 tons for the full year is expected to result in a decline in demand from overseas markets. Rationing, exchange and shipping difficulties have all combined to reduce the amount of paper required by publishers in those markets.

In the United States, on the other hand, no such restrictions apply. As a result, and, reflecting the improvement in business arising out of the U. S. national defense programme, the volume of newsprint consumption in the States this year is expected to be from 4 to 5% greater than in 1939.

### Little Short of 1940

Taking the industry as a whole, the monthly production returns for the current year to date compare, on the average, quite favorably with that for the like period of 1940. However, it will be noted in the table below that production has tended to fall off since April, substantiating the forecast made earlier in the year.

**Canadian Newsprint Output**
(in tons)

| | 1941 | 1940 | 1939 |
|---|---|---|---|
| Jan. | 261,298 | 251,032 | 208,382 |
| Feb. | 245,607 | 231,823 | 200,631 |
| Mar. | 275,769 | 251,279 | 220,648 |
| Apr. | 279,096 | 268,947 | 220,843 |
| May | 284,767 | 323,563 | 250,015 |
| June | 273,697 | 315,343 | 240,545 |
| July | 293,483 | 332,689 | 227,630 |
| Aug. | 293,054 | 316,607 | 236,975 |
| Sept. | | 282,322 | 253,230 |
| Oct. | | 309,957 | 280,985 |
| Nov. | | 282,344 | 288,726 |
| Dec. | | 252,897 | 240,656 |
| Total | | 3,418,803 | 2,869,266 |

Shipments from Canadian mills have followed the same trend as output. In the first quarter there was an appreciable increase over the initial three months of 1940, but since then shipments have been somewhat under those reported a year ago. The decline has not been large; in fact, has been quite moderate. Moreover, it will be noted that, while shipments are lower, still the volume moving out of the country this year is consistently higher than the production figures, indicating a healthy inventory position.

**Canadian Newsprint Shipments**
(in tons)

| | 1941 | 1940 | 1939 |
|---|---|---|---|
| Jan. | 243,394 | 244,273 | 201,852 |
| Feb. | 239,745 | 211,322 | 178,236 |
| Mar. | 265,724 | 235,304 | 205,099 |
| Apr. | 285,789 | 267,134 | 214,255 |
| May | 291,112 | 334,441 | 274,635 |
| June | 281,843 | 338,446 | 232,261 |
| July | 300,236 | 337,508 | 221,743 |
| Aug. | 296,985 | 332,234 | 224,367 |
| Sept. | | 284,133 | 267,005 |
| Oct. | | 287,943 | 289,260 |
| Nov. | | 286,739 | 287,869 |
| Dec. | | 276,457 | 264,620 |
| Total | | 3,435,934 | 2,861,202 |

### Lower Mill Stocks

The excess of shipments over production creates a healthy situation in that stocks of paper on hand at the mills has steadily declined. Thus at the end of last July the supply amounted to 155,000 tons, which is the best showing made in a number of years.

From present indications newsprint stocks should continue to decline between now and the end of the year, unless some of the manufacturers decide to build up stocks in anticipation of higher costs.

**Newsprint Stocks on Hand at Canadian Mills**
(in tons)

| | 1941 | 1940 | 1939 |
|---|---|---|---|
| Jan. | 170,275 | 176,261 | 167,968 |
| Feb. | 176,137 | 196,762 | 190,363 |
| Mar. | 186,182 | 212,737 | 205,912 |
| Apr. | 180,389 | 214,550 | 212,500 |
| May | 174,044 | 203,672 | 187,880 |
| June | 165,898 | 180,569 | 196,164 |
| July | 159,145 | 175,750 | 202,051 |
| Aug. | 155,214 | 160,123 | 214,659 |
| Sept. | | 158,312 | 200,884 |
| Oct. | | 180,326 | 192,609 |
| Nov. | | 175,931 | 193,466 |
| Dec. | | 152,371 | 169,502 |

### Centralized

Production since the beginning of the year in the Ontario-Quebec mills has followed the same trend as for the industry as a whole. These two provinces represent the centre of the industry, as of more than a score of newsprint mills, only six are located outside the area. This group, in the central provinces, between them account for 80 to 85% of the total Canadian newsprint output.

Practically all mills in the two provinces are subject to prorating; in other words, their production is closely linked with their rated capacity in relation to the volume of business available. Exceptions to this are the non-commercial mills such as those of the Ontario Paper Co., with a partial exemption granted to Spruce Falls Power & Paper Co., Anglo-Canadian Paper Mills, etc. As a consequence the mills in the area operate at the same ratio of capacity, the bigger the capacity, the larger the output.

This policy was devised only as a means of stabilization and allowing for capacity operations of the non-commercial mills, it is a comparatively simple matter to estimate the productive efforts of the various mills. Thus allowing five points for mills not subject to prorating, the prorated mills in Ontario and Quebec have averaged about 73% of effective capacity since the beginning of the year, as contrasted with close to 80% in the like period of 1940.

### More U. S. Dollars

As already mentioned the dollar income of Quebec and Ontario mills this year is likely to be as large as in 1940. This seemingly contrary situation, in view of the anticipated decline in production and shipments, is explained b; the fact that sales in American dollars are likely to be greater than a year ago. This will offset the decline in Canadian dollar income received from sales to overseas markets.

In respect to earning power, a developmen: this month of major importance is the announced policy of continuing existing base price of $50 a ton for newsprint sold in the American market. This move was not unexpected, though in some quarters it was considered possible that a moderate increase might be made for the last quarter in view of the rise in costs.

### No Price Change

There ha: been no change in the basic United States price since the beginning of 1938.

Newsprint is the only major international commodity whose price has remained unchanged for such a length of time, and especially since the war started.

The absence of a price increase is due to the announced policy of the industry to avoid profiteering and to make available its product at a reasonable price.

Naturally the 10% of premium on U. S. funds is, in effect, a price increase, as it gives Canadian manufacturers an extra $5 a ton in Canadian funds, on sales to the United States. But the sale of newsprint to U. S. publishers in American funds does not constitute any change in the established policy of the industry, therefore it cannot be considered as a price increase in the ordinary sense of the meaning.

### Offset Declines

While the increase in the American dollar income of the Ontario and Quebec mills for 1941 will offset the drop in Canadian dollar income from overseas sales, and thus give the operators as large a Canadian dollar income as was the case in 1940, it is to be expected that some of the operators will report a decrease in their net profit.

Since the war started there has been a gradual but consistent increase in administration and other charges, notably taxes. Wood costs are higher; labor costs have moved up; materials are more expensive, etc. All this has tended to wipe out largely the value of the premium received on sales to the American market.

### Bigger Tax Bill

Another factor affecting net profits of the operators in the Central area this year, as well as the operators in other sections, is the Excess Profits Tax. While the newsprint industry has been ruled upon as being "a depressed industry" for purposes of taxation, still the fact remains that on 1921 earnings the operator still had to pay a minimum of 40% of the net profit in taxes. This contrasts with the minimum of 32% as established under the previous legislation.

While this concession to the newsprint industry is of vital importance, still it does, or should not, detract from the fact that the newsprint operators are making a very important contribution to the federal treasury in the way of a so-called tax on "Excess" profits.

The additional 8% excess profits tax payable on this year's earnings will, in many cases, have a strong bearing upon the earnings payable on the capital stock.

### Progress Made

Heavy taxation to pay for the war effort is necessary. However, it should not be allowed to overshadow the fact that after provision for taxes the position of the newsprint operators in Quebec and Ontario is and will be considerably better than it was a few years ago. The real progress made by the industry, along financial lines, is to be seen in the net working capital position. In the last five years the operators have been able to wipe out a heavy accumulation of bank loans, retired bonds, and improve their working capital to a point where they are in a stronger position than they have been the last 10 or 15 years.

Though few of the companies are paying any dividends, on capital stock, a number are in a position to do so on the basis of current earnings. The management of these companies has decided on the conservative course of strengthening finances so that they will be well able to cope with the inevitable after-war adjustments.

Geographically the newsprint industry in Quebec and Ontario is divided into several well-defined areas. The Saguenay region of northern Quebec is represented by two important newsprint producers, Price Bros. & Co., and Lake St. John Power & Paper Co.

### Abitibi P. & P.

Ontario's largest newsprint producer and one of the largest in Canada, Abitibi Power & Paper Co. has been much in the news in recent years due to attempts to complete a reorganization. The company has been operating under receivership since Sept. 10, 1932, following failure to meet bond interest payments due June 1 of that year.

Arrangements have been completed for payment of $130 per $1,000 of principal amount of bonds, as a return of principal on Oct. 15 of this year. No other important steps toward reorganizing the company have been taken since efforts to carry out a judicial sale of its properties were held up at the time a Royal Commission investigated the company's affairs late last year. It is thought possible that renewed efforts to carry through a sale of the company's assets will be made by the Bondholders Protective Committee under the chairmanship of H. J. Symington, K.C.

The Royal Commission which reported on April 1 this year made some general recommendations regarding the type of reorganization plan which it thought advisable, but no action has been taken on its recommendations beyond the passing by the Ontario legislature of an act to prevent action under the bond mortgage. Power of the Ontario legislature to pass such an act is disputed by the Bondholders Committee.

**Interim Earnings Hold**

For the first eight months of this year G. T. Clarkson, receiver and manager, reported net earnings, before depreciation or bond interest, of $5.5 millions, a gain of 5.72% over the corresponding period of 1940. Recent trend in newsprint shipments indicates that the full year will show only moderate gains over last year at best. For the first eight months Abitibi shipped 274,894 tons of newsprint compared with 289,603 tons in the same part of 1940.

The company has a substantial production of bleached sulphite pulp which has been running at capacity and showing good gains over a year ago.

Abitibi has an effective newsprint producing capacity of about 590,000 tons annually. It operates six newsprint mills, including one in Manitoba. Its bleached sulphite mill turned out about 9,000 tons in August this year, constituting a new record output.

Abitibi also owns all the common stock of Provincial Paper Ltd., an important producer of book and fine papers.

The company has developed water power aggregating 182,073 h.p. and controls undeveloped waterpower estimated at upward of 400,000 h.p.

### Anglo-Canadian

Anglo-Canadian Pulp & Paper Mills operates in the central area of Quebec, its mill being located at Quebec City. Output of this plant, which is rated at around 180,000 tons annually, was, under peacetime conditions, contracted for by the Rothermere group of papers in England and by the Hearst papers in the United States. With the sharp rationing of newsprint supplies in England, Anglo-Canadian has been obliged to find other markets for output in the United States.

Though one of the major operators in the Canadian industry, the company publishes no particulars as to income or the extent of its operations. Accordingly its activity must be judged by the general trend of operations.

Prior to 1940 it had been necessary for the controlling interest in England to advance funds to the company from time to time to cover interest on the debentures, all of which are held by Daily Mail Newspapers Limited of London. Heavy obligations were incurred and, finally, in 1939, a reorganization was carried out.

Though no financial statement is available, it is assumed that earning power, as in common with other operators, underwent a sharp expansion which improvement is being carried through into the current year.

There is no Canadian investment interest in this enterprise, all stock being held by interests closely associated with the Rothermere estate.

### Brompton

Associated with St. Lawrence Paper Mills, through common stock control, is Brompton Pulp & Paper Co. Brompton's mills, which are located at Bromptonville and East Angus, Que., have an aggregate rated capacity of about 63,000 tons annually. In addition the company is an important producer of kraft paper.

The company is in a strong financial position and its earning power over a period of years has been well established. The entire output of newsprint is sold under five-year contract to International Paper Co., while the kraft production is marketed direct.

Last year the company reported a total income of $1.4 million, the highest in some years. Net earnings on the capital stock amounted to $2.10 a share, of which $1.75 was distributed in dividends. This compares with earnings of $1.16 in 1939, when dividends totalled $1.10 a share.

Currently the company is doing well and income for 1941 should be well sustained, though the payment of heavier taxes to the government may limit the extent of net profits.

An important factor bearing upon the immediate outlook for Brompton is the fact that the contract with International Paper expires at the end of next year. This does not necessarily mean, of course, that the company will be without newsprint business, as arrangements will be made to see that the company gets its share of the available tonnage. However, it should be kept in mind that unless there is a further increase in demand, prospects are volume of output will be reduced in line with that for the industry as a whole, which is well under capacity rating.

Control of Brompton, St. Lawrence Paper Mills, and Lake St. John Power & Paper rests with St. Lawrence Corp.

### Can. International

Canadian International Paper Co., with newsprint mills at Three Rivers, Gatineau and Dalhousie, is the largest newsprint operator in Canada and probably in the world.

While the principal product of the company is newsprint, it is also an important producer of sulphite pulp, especially in the higher rayon grades. For some years C. I. P. has operated two important pulp mills at Kippawa and Hawkesbury, while early in 1939 it completed a $2 millions sulphite pulp mill at Gatineau.

In addition the company entered a new field two years ago when it undertook the construction of a plant at Gatineau in co-operation with the Masonite Corp. of the United States, to manufacture Masonite products in Canada.

Operations are rounded out by the inclusion of a number of saw mills which give C. I. P. an important place among the lumber operators in eastern Canada.

The five pulp and paper mills owned or controlled have a daily capacity of over 2,200 tons of newsprint and 470 tons of bleached sulphite pulp.

Last year the company set an all-time record with sales of nearly $53 millions. This contrasts with $38.4 millions the year before. After taking into consideration other income and increasing the depreciation reserve from $1.7 million to $5.1 millions, and allowing for senior charges, there was a net profit of just short of $1.3 million. This contrasts with a deficit of $625,703 in 1939. While no returns have ever been paid to the parent company — International Paper Co.—C. I. P. has steadily improved its position in the last few years to a point where its net working capital now exceeds $22.2 millions.

Current operations are well maintained. Both gross and net earnings for 1941 should be on much the same level as a year ago. In that event, net working capital by the end of this year should be in excess of $25 millions.

(Continued on page 21)

The story of a great sulphite bond...

Among all-sulphite bond papers, Cheneaux is one of Canada's best known brands.

LOOK at its attractive surface — its white and eight sparkling, easily identified colours.

FEEL its substantial body, its fine texture, its impressive crispness and smooth finish.

TEST its strength and toughness—its unusual ability to stand rough handling.

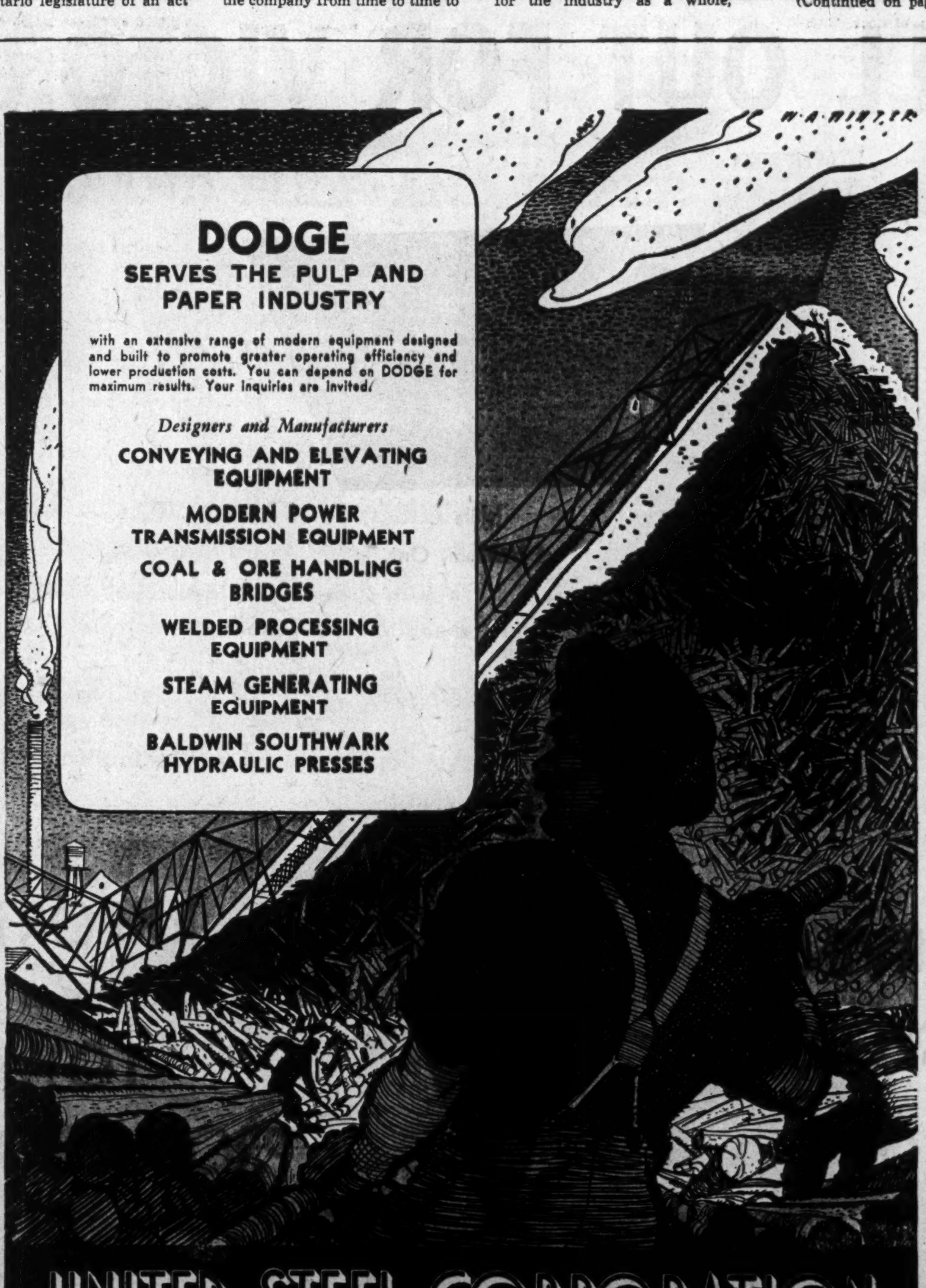
PROVE its clear easy printability by having your printer run it on his press — and you will know why Cheneaux Bond is Canada's leading low cost, watermarked, tub-sized utility bond for letterheads, envelopes, calendar pads, office forms, inter-departmental records, invoices and price lists.

The book illustrated above tells—and demonstrates — the full story of Cheneaux Bond. You will find it extremely helpful and it's yours for the asking. Just drop a line on your business letterhead to —

THE E. B. EDDY COMPANY LIMITED

HULL — Makers of Multiscrip Mimeograph, Express Writing Manilla, Wellington Offset, Ancaster Book, Tecumseh and Mohawk Bristols, C and X Tag Manillas. — CANADA





# Major Newsprint Makers

(Continued from page 20)

lions, or at a level higher than ever before in the history of the company.

The only direct public investment interest in C. I. P. is through the first mortgage bonds. Balance of the funded debt and all capital stock is owned by International. In respect of the first mortgage bonds, C. I. P. is one of the few Canadian newsprint companies which has met all obligations on its bonded debt.

## Consolidated

Several of the largest newsprint operators are to be found in the Quebec area centring in the St. Maurice Valley. One of the largest is Consolidated Paper, which operates four mills in this section and one in the Saguenay, with an aggregate rated capacity of about 620,000 tons annually. This makes the company one of the three most important newsprint manufacturing operators in the world.

This company, which came into being toward the end of 1931, has set up an outstanding record. Taking over the bankrupt properties of Canada Power & Paper, Consolidated Paper started its corporate life with huge liabilities—an excess of current liabilities over current assets running into many millions, heavy bank loans, etc.

### Record Big Gains

In the earlier years the management's attention was directed solely to consolidating and conserving assets. In the first nine years, or up to 1940, current assets increased $1.4 million and current liabilities decreased $20.5 millions, total current improvement of $22 millions. Addition of increased and fixed assets, retirement of subsidiary bonds, increase in deferred charges and accounts and accounts receivable, brought total improvements to $25.4 millions.

In that time the company wiped out all bank loans, all subsidiary debts and created a net working capital position of better than $12 millions.

Moreover, the company has anticipated sinking fund requirements on its own bonds by purchase of better than $2 par value of debentures.

### Pay Interest in Cash

In 1936, in order to conserve working capital, the company submitted a plan to bondholders to accept stock rather than cash for interest payments. Interest for the three-year period from July 2, 1936 to July 2, 1939, was met by the issue of stock. Interest on bonds and debenture stock for the two years commencing July 2, 1939, could be paid either in stock or cash depending upon earnings of the company. For the first year interest was paid in cash. For the year ended July 2, 1941, the company was in a position to announce that it would pay in cash.

Last year Consolidated Paper's newsprint mills operated at 68% of rated capacity and operating profit and miscellaneous income totalled over $7 millions, an increase of nearly $2 millions over 1939. In addition there was a profit from U. S. exchange of $1.4 million and an investment income of $79,155, which gave the company a total revenue of over $8.5 millions. This contrasted with about $5.2 millions the year before. As a result not only was there sufficient net income to pay all interest charges, set up a reserve of around $4.5 millions for depreciation, but also a balance equivalent to 34 cents a share on the common stock. This was the first time the company ever earned anything on its capital stock.

### Earnings Hold Up

Profits for the first quarter of 1941 were slightly in excess of the same period last year, before taking into consideration bond interest, depreciation and taxes. During the three-month period cost of labor and all kinds of material were higher than the average for the full 1940 year. The increase per ton of newsprint was $1.22, in addition to which there was also increased freight rates which tended to reduce the mill net.

Over the past year Consolidated Paper has brought into operation its Cap de la Madeleine mill which had been idle for a number of years. This mill, which has a rating of about 80,000 tons annually, was brought into production primarily to enable the company to maintain its rating under the scheme for distribution of available business among the Quebec-Ontario mills. At this stage it is not known whether it is the intention to maintain operations permanently or whether the mill will be operated just sufficiently long to establish the company's right to its present tonnage rate.

Newsprint tonnage produced by the company this year will be fractionally less than a year ago. Dollar income, on the other hand, should be much the same so that the financial statement for 1941 should compare favorably with that of a year ago. Net position, on the other hand, may be somewhat less, though not appreciably, because of the higher federal taxation.

## Donnacona

Donnaconna Paper Co. operates in the same area as Anglo-Canadian Pulp & Paper Mills. While primarily a newsprint producer, Donnaconna also manufactures for sale an important volume of sulphite pulp and insulating board. In all the company has an annual capacity of 85,000 tons of newsprint; 25,000 tons of sulphite pulp; 10,000 tons of groundwood pulp; 75 million sq. ft. of insulating board and about 11,000 tons of paperboard.

### Good Market for Products

The most active department of the company's operations is the board mill. Capacity operations have been the rule here for some time and prospects are that this condition will continue for some time.

Pulp sales have been well maintained. A ready market is being found for all of the unbleached sulphite produced. Sales of groundwood have run into several thousand tons.

Newsprint is the only department not at capacity, but in this field indications are that demand will continue at a satisfactory level throughout the balance of the year.

### Boost in Income

Last year operating revenues of the company exceeded $1 million, as compared with $766,054 in 1939. After provision for all charges, including taxes, profits were equal to 34 cents a share on the capital stock as against 2.4 cents a share the year before.

Working capital position strengthened during the past year, current assets exceeding current liabilities by over $1.1 million. Current assets do not include notes receivable from the Hearst Co. and amounting to $638,449. The previous year net working capital amounted to $1.4 million and included notes receivable from Hearst of $550,229.

Because of the sharp improvement in earning power last year and continuation of good earnings during the current year, an initial dividend on the class A and B shares of 10 cents a share has been declared payable Oct. 1.

## E. B. Eddy

Farther along the Ottawa River Valley, at Hull, P. Q., is the E. B. Eddy Co. While primarily known as a fine paper producer, the Eddy Co. has a newsprint installation capable of producing over 45,000 tons annually.

During recent years the company has spent large capital sums on plant improvement, principally in connection with the fine paper division, though general expenditures have been of benefit to the newsprint division. It had been thought that this work was largely completed, but in July this year the company announced immediate construction of a new acid plant in which Canadian pyrites will be used instead of imported sulphur in the manufacture of chemical pulp. The new unit, which will save approximately $100,000 on U. S. exchange, will be in operation early next year.

Further particulars on this company's fine paper and other operations will be found in the section dealing with the fine paper manufacturers.

## Great Lakes Paper

Great Lakes Paper Co. operates a newsprint and unbleached sulphite pulp mill at Fort William, Ont. The newsprint mill has a daily capacity of about 360 tons and the sulphite pulp mill a daily rated capacity of 125 tons. Groundwood pulp capacity is 350 tons daily.

Changes made in 1940 increased the capacity of the company's unbleached sulphite pulp mill, in addition to its own requirements, from 15,000 to 24,000 tons annually. This is available for sale.

This year capital expenditures of about $150,000 for improvements on the mill and of about $75,000 for a dam and other improvements for opening up and operating the Black Sturgeon timber limits are scheduled.

Great Lakes Paper Co. has special contracts with a group of publisher-shareholders, resulting from a reorganization carried out in 1936. This group of about 25 U. S. publishers contracted to take a minimum of 67,500 tons of newsprint for 10 years from Jan. 1, 1936, with the option of prolonging the term of the contracts to Dec. 31, 1950. This group received the entire issue of class B preferred.

The company has been paying dividends on its classes A and B cumulative preference shares for the past two years. Payments totalled $1 a share in 1933 and $1.25 a share in 1940. So far this year three payments of 25 cents a share have been declared or made. Arrears on the two classes of preferred amount to $9 a share after giving effect to the dividend to be paid Oct. 1 this year.

## Lake St. John

Lake St. John Power & Paper Co., operating at Dolbeau where it has a newsprint mill with a rate of capacity somewhat in excess of 100,000 tons annually, is controlled by St. Lawrence Paper Mills Co.

Like other newsprint operators this company has been able to show a consistent and at times quite a substantial improvement in its operating and financial position over the last few years.

Some years ago it signed a contract to sell its entire newsprint output to the Hearst chain of newspapers. This did not prove as valuable as originally anticipated and it was necessary for the company to go through a reorganization in 1936. The company still has its Hearst contract, but is not wholly dependent upon it for the reason that arrangements were made some time ago whereby other operators took over part of the delivery, permitting Lake St. John to accept other tonnage. This diversification of sales has been a strengthening factor.

### Earning Power Greater

Last year the company operated the Dolbeau mill at 75% of capacity compared with 58% the year before. Operating profits jumped from $773,000 to $1.2 million. After substantially increasing prior charges, especially depreciation reserve, the company showed a net profit of $112,118, which was equal to $6.23 a share on the preferred stock. There were no earnings available the year before, when the depreciation reserve was nearly $300,000 less than in 1940.

As a result of greatly improved earnings, interest on the 5% mortgage debentures was paid April last, bringing payment up to date.

This cleared the way for the declaration of a dividend of 6% on the 6% non-cumulative preferred stock, all of which is held by St. Lawrence Paper Mills.

From present indications the company should have no difficulty in meeting interest on the debentures, as well as a further distribution, probably the full 6% on the preferred stock out of earnings for 1941.

## James Maclaren

In the Ottawa Valley section of Quebec are two other newsprint operators. The James Maclaren Co., wholly owned subsidiary of the Maclaren Power & Paper Co., operates a 100,000 ton newsprint mill at Buckingham. In addition to its newsprint operations, Maclaren is an important lumber operator. This division has been a large revenue producer, especially since the commencement of the war, which brought about a sharp demand for lumber and lumber products.

### Reports Gross Income

Last year James Maclaren Co. had a gross revenue from the sale of newsprint of about $3.3 millions. Comparative figures for 1939 are not available, as heretofore accounts have been consolidated with those of the parent company.

After depreciation and other charges, and taking into consideration U. S. exchange and other income, as well as writing off $127,250 against doubtful accounts, the company showed a net profit of $660,528 before income and excess taxes. This amount was carried forward to consolidated earned surplus account.

Currently newsprint operations of Maclaren are in excess of 70% of rated capacity. As the company is engaged almost exclusively in supplying the American market, this would indicate that Canadian dollar revenue for 1941 will be on much the same basis as last year.

## M. & O. Paper

Minnesota & Ontario Paper Co. completed a reorganization early this year. The result has been that bondholders have come into complete control of the company, the company's funded debt is reduced to less than half of previous levels and interest rate lower, a substantial surplus has been created and its operations generally placed in a relatively strong position.

For the first half of 1941 the company reported a net income of $1.2 million, a gain of $100,000 over the corresponding period of 1940. The second quarter of the year resulted in practically all of the earnings as the company showed $1.1 million of net income in that period.

Minnesota & Ontario Paper operates paper, pulp and saw mills and power plants at International Falls, Minn., and Fort Frances and Kenora, Ont. The company obtains power for its mills from its own developments, from purchases from Winnipeg Electric Co., and is constructing an additional steam power unit at International Falls this year at a cost of $600,000.

In addition to newsprint and specialty papers, as well as kraft, the company has a large output of insulite, an insulating material used in building. Until this year it owned extensive properties in Finland but these have been sold, partly for U. S. dollars for

(Continued on page 22)


ST. LAWRENCE CORPORATION LIMITED

*Controlling*

ST. LAWRENCE PAPER MILLS COMPANY LIMITED
BROMPTON PULP AND PAPER COMPANY LIMITED
LAKE ST. JOHN POWER AND PAPER COMPANY LIMITED

*Manufacturers of*

NEWSPRINT PAPER
SULPHITE-SULPHATE
AND GROUNDWOOD PULPS

Annual Capacity All Grades
400,000 TONS

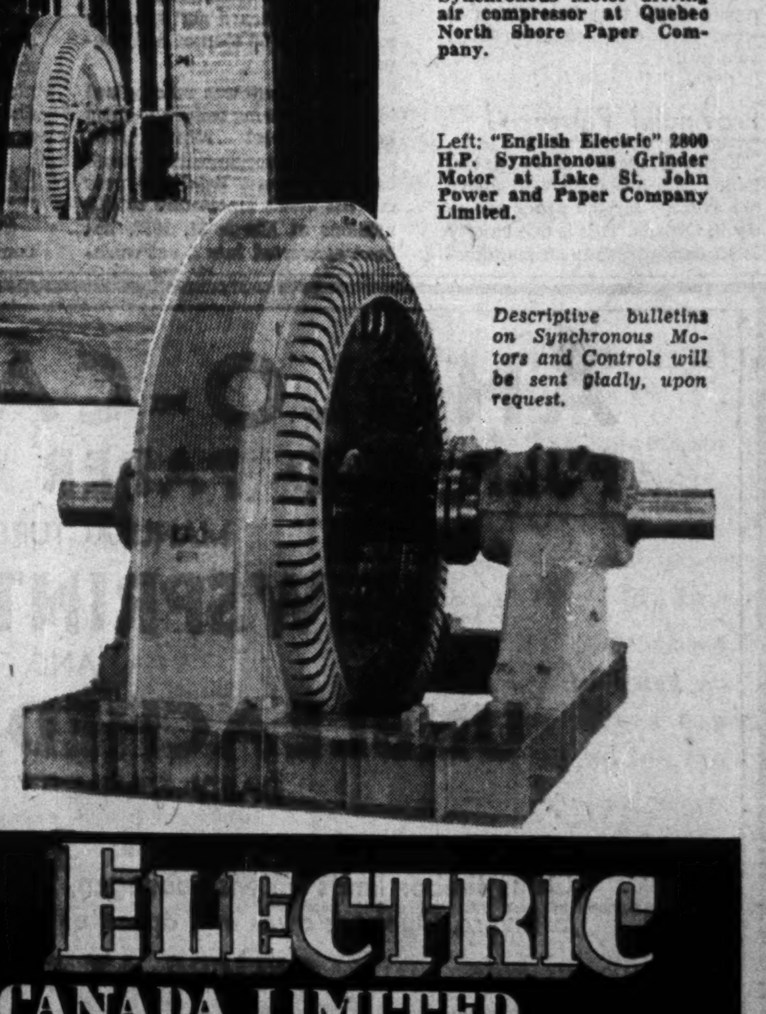
*Mills at*

THREE RIVERS, QUE. — EAST ANGUS, QUE.
DOLBEAU, QUE. — BROMPTONVILLE, QUE.

*Head Office:*

SUN LIFE BUILDING, MONTREAL

Above: "English Electric" Synchronous Motor driving air compressor at Quebec North Shore Paper Company.



Left: "English Electric" 2800 H.P. Synchronous Grinder Motor at Lake St. John Power and Paper Company Limited.

Descriptive bulletins on Synchronous Motors and Controls will be sent gladly, upon request.

DESIGNED and built to stand up under the gruelling demands of the pulp and paper industry, "ENGLISH ELECTRIC" Synchronous Motors are rendering dependable, economical service in compressor and grinder installations in many Canadian plants.

LAST WORD IN MOTOR CONTROL

"English Electric" Synchronous Motor Controllers, incorporating the well-known and patented "Polarized" Field Frequency Responsive System" are available in a complete range of types and capacities.

ENGLISH ELECTRIC
COMPANY OF CANADA, LIMITED

Head Office and Factory: ST. CATHARINES, ONT. District Offices: TORONTO, MONTREAL, VANCOUVER, KIRKLAND LAKE
Represented by: RAILWAY & POWER ENGINEERING CORP. LIMITED, WINNIPEG • GORMANS LIMITED, EDMONTON
FLECK BROS. LIMITED, VANCOUVER • ROBERTS and WATT, OTTAWA • FOULIS & BENNETT ELECTRIC LIMITED, HALIFAX



BROMPTON PULP AND PAPER COMPANY LIMITED

820 Sun Life Building, Montreal, Canada

*Manufacturers of*

Newsprint, Kraft & Fibre
Papers, Box Boards,
Shipping Case Materials

MILLS AT EAST ANGUS AND BROMPTONVILLE QUE.

# War Demands Fibre Board

## All Mills Operating at Capacity to Meet Emergency Needs

Rapid expansion in sales of insulating board, particularly in the export market, have been a feature of Canadian pulp and paper operations over the last 24 months.

Several new records were established in 1940.

Production reached 429,000 tons, the largest on record and comparing with 250,000 tons in 1929 and 88,000 tons in 1918.

Exports of board in 1940 exceeded those of 10 years ago by 76%.

Shipping to the domestic market also established a new record in 1940.

At one time board was considered an unimportant by-product of the larger plants. The introduction of new methods of use and refinements in manufacture created a demand in the building trades, resulting in this branch of the industry assuming a new importance.

Use of board for insulation, interior decoration and acoustical purposes has grown very rapidly.

Production was greatly stimulated by the federal housing projects carried out in the United States and Canada prior to the war. Millions of dollars were spent on home improvements and there was a sharp upswing in the demand for board.

**Huge Wartime Demand**

The war has brought additional demands for insulating board for erection of temporary and permanent shelters for troops.

Practically all the production of insulating board in Canada is accounted for by four firms—Donnacona Paper Co., International Fibre Board Co., Masonite Corp. of Canada, and Building Products Ltd.

No details are available to production in 1940 or 1941, as such information comes under the official ban.

### International Fibre Board

International Fibre Board Ltd., controlled by International Paper Co., came into being about 15 years ago. At that time it took over a plant at Midland, Ont., to manufacture insulating board. A new plant was built at Gatineau, designed for an ultimate capacity of 600,000 sq. ft. of board per day.

The output of this company is known to be of record proportions but no particulars are made available as to sales or earnings, operating returns being consolidated with those of the parent company. With the exception of a small amount of preferred, all of the capital stock is owned by International Paper Co.

### Masonite

Associated with International Fibre Board is the Masonite Co. of Canada, the ownership of which is divided equally between the Masonite Corp. and Canadian International Paper Co., the latter being a subsidiary of International Paper Co.

Work was started immediately upon construction of $300,000 plant at Gatineau, P.Q., to manufacture all grades and types of board products made by Masonite Corp., and which had hitherto been imported. Results exceeded expectations and shortly after the opening of the plant, a $75,000 addition was constructed.

### Building Products

One of the earliest operators in this field is Building Products Ltd. It undertook the manufacture of insulating board about 11 years ago and previous to that had engaged in the manufacture of building materials. Plant operations are centred in Quebec and Manitoba.

An all-time record was set in the volume of business handled by the company in 1940. Construction under the Empire Air Training Plan, and expansion of industrial plants for war purposes, reached a high level. In addition, domestic business was again aided by the Home Improvement Plan and the National Housing Act.

Gross income for the year at $1,049,315 compared with $755,520 the year before. Despite an increase in taxes from $100,030 to $440,000, earnings were well maintained at 86 cents a share.

Some materials manufactured by the company are suitable for low cost prefabricated houses, which are to be constructed in crowded industrial and defense areas.

### Donnacona

Last, but not least of the four companies operating in this field is Donnacona Paper Co. This operator was early in the field and has spent a large sum on his plant about 30 miles west of Quebec city.

Operations have been conducted at capacity for many months.

Unlike other manufacturers, Donnacona's board mill is not as important as a revenue producer as it is a factor in keeping down general operating costs. It fits in well with the company's general scheme of operations and has been instrumental in bringing about the better showing made by the company.

During the last two years Donnacona insulating board has been widely used in the construction of buildings for the armed forces in almost every part of the Empire.

# Major Newsprint Makers

(Continued from page 21)

which payment was received prior to the outbreak of war with Russia, and the balance in Finmarks.

By the reorganization completed this year, holders of each $1,000 of old 6% first mortgage bonds received $500 in new 5% income bonds and 40 shares of new common stock. Common shares were given to holders of the company's former 6% gold notes and unsecured indebtedness.

A subsidiary, the National Pole and Treating Co., has recently called its 6% gold notes, replacing them with a bank loan secured through a collateral mortgage on its own property.

### Ontario Paper

Ontario Paper Co. operates newsprint mills at Thorold, Ont., and Baie Comeau, Que. The latter is the newest addition to Canada's newsprint industry, having been completed in 1938.

Newsprint made by the Ontario Paper Co. goes to its publisher-owners, the Chicago Tribune and the New York Daily News. The output from the Baie Comeau unit goes to the New York Daily News while that of the Thorold plant goes to the Chicago Tribune.

Extensive timber limits are operated in northern Ontario and in Quebec which supply pulp wood to the mills.

The Baie Comeau unit is operated by a wholly owned subsidiary of Ontario Paper Co., Quebec North Shore Paper Co. At Thorold the company's mill had an annual capacity of 158,000 tons of newsprint annually and the Baie Comeau unit can make 120,000 of newsprint. The Outardes Falls power development which supplies the Baie Comeau mill develops 75,000 h.p. In 1940 the two newspaper owners of the Ontario Paper Co. purchased from other newsprint manufacturers 98,950 tons in addition to what they obtained from their own mills.

### Provincial Paper

Earnings record of Provincial Paper Ltd. has been well above the average for the paper industry in Canada. This is due chiefly to its dependence upon manufacture of high grade book and writing papers, demand for which does not show the fluctuation experienced by newsprint producers. The company's common stock is all owned by Abitibi Power & Paper Co.

Provincial Paper has four plants, located at Georgetown. Thorold, Mille Roches and Port Arthur, Ont. It also owns a hydro-electric plant at Thorold. generating about 850 h.p. Total capacity of all the company's plants is about 190 tons daily.

Operations in 1940 continued the upward trend which has been in evidence since 1933. Provincial Paper has been able to pay preferred devidends regularly since the stock was issued in 1927, although no payments have been made on its common since 1937. The preferred stock is held by the public as is an issue of 5½% first mortgage bonds amounting to $3.3 millions at the end of last year.

### Price Bros.

Price Bros. & Co. is one of the largest, certainly the oldest operator in the industry. It has been in existence for more than 100 years, original operations having been confined to lumbering. Some years ago the company branched out into the manufacture of pulp and paper.

At present Price Bros. owns two modern and efficient mills having a combined capacity of around 375 tons annually. The larger of these mills is at Kenogami and the other at River Bend.

The Kenogami plant also has a cardboard and wrapping paper machine having a daily capacity of around 30 tons.

On the south shore of the St. Lawrence the company operates three sawmills with a combined capacity of about 75 million feet board measure.

A wholly owned subsidiary operates a cardboard and specialty mill of 50 to 60 tons of daily capacity.

The company was reorganized in 1937, following failure to meet bond interest requirements. Since the reorganization an excess of current liabilities over current assets amounting to $7.2 millions at March 31, 1937, has been converted into a net working capital position of $11.2 millions at the end of 1940, an overall improvement of 18.4 millions.

The company has earned and paid interest on first mortgage bonds and debentures regularly since reorganization, while bank loans, which reached a figure as high as $5.1 millions, have been liquidated.

Moreover, since 1937, the funded debt has been reduced by nearly $1.8 million.

At the beginning of this year the company made a special distribution on the preferred stock which resulted in wiping out all arrears.

In addition to these major steps toward strengthening its financial position the company also has spent large sums on capital account. For example, last year $743,920 was spent on installing coal-burning, steam-generating units necessitated by the reduction in available electric steam energy from the Saguenay district.

Operations and earnings of the company this year should be on a scale comparable with that reported for 1940 when gross revenues were just short of $5.5 millions, or more than twice as great as they were in 1939.

### Spruce Falls

One of Canada's leading producers of newsprint paper, Spruce Falls Power & Paper Co. is owned jointly by Kimberly-Clark Corp. and the New York Times. The former holds the controlling interest. Public interest in the company was eliminated in 1937 when its bond issue was refunded from private resources.

The company's plant at Kapuskasing, Ont., has an output of about 550 tons of newsprint, 440 ground wood pulp, 230 tons of sulphite pulp daily. It has a contract with the New York Times to supply its standard newsprint requirements which, based on latest available figures, is about 50% of the mill capacity. Kimberly-Clark has a contract with the company to purchase its surplus output of sulphite and handles sales for other products not used by the New York Times.

### St. Lawrence Corp.

St. Lawrence Corp.'s income consists entirely of dividends from its subsidiaries. Last year there was no income from St. Lawrence Paper Mills or Lake St. John Power & Paper, but Brompton paid to the parent company $521,678. From this there was disbursed $516,474 in dividends to the Class "A" preferred shareholders of St. Lawrence Corp., $1.50 a share being paid in 1940 and 25 cents a share on January 15, 1941.

During the year St. Lawrence Corp. purchased and cancelled 4,170 Class "A" shares, reducing the number outstanding to 293,937.

Last year the company's holdings of St. Lawrence Paper common increased from 509,894 to 509,956 shares, and of Brompton common from 298,071 to 298,107 shares.

### St. Lawrence Paper

Also in the St. Maurice area is the Three Rivers mill of St. Lawrence Paper Mills. This unit is capable of turning out about 185,000 tons of newsprint annually and places the company among the first 10 Canadian operators.

Operations in 1940 were the most profitable experienced by the company in many years. Gross income of $1.6 million was nearly double that reported in the preceding year. After senior charges, net profits were equivalent to $4.14 a share on the preferred stock, as against 44 cents the year before.

Due to the sharp improvement in earnings, the directors, out of 1940 earnings, declared a dividend of 50 cents a share on the preferred stock, payable on Jan. 15 last. In addition the company paid $2 a share on account of arrears on Dec. 23, making a total distribution for the year of $2.50 and reducing the arrears as at Jan. 15, 1941, to $56.75 a share.

**Finances are Stronger**

Financially the company's position underwent a marked improvement last year. Net working capital moved up from $1.4 million to $2.3 millions. Bank loans were reduced from $1.7 million to $540,700, as a result of which the bank released to the company $2.4 millions of first mortgage bonds held as collateral security.

During the past year 2,455 shares of preferred stock were purchased and cancelled, leaving outstanding $13,980,100.


ANGLO-CANADIAN
PULP AND PAPER MILLS LIMITED
MANUFACTURERS OF
NEWSPRINT PAPER
AND
UNBLEACHED SULPHITE
DAILY CAPACITY 580 TONS

Owns timber limits on Manicouagan, Sault-au-Cochon, and Montmorency Rivers, Quebec; owns and operates four-machine-mill at Quebec City.

OFFICES AT QUEBEC CITY

*Direct Communication With Both Canadian Railways*

PRIVATELY OWNED WHARF AT TIDEWATER



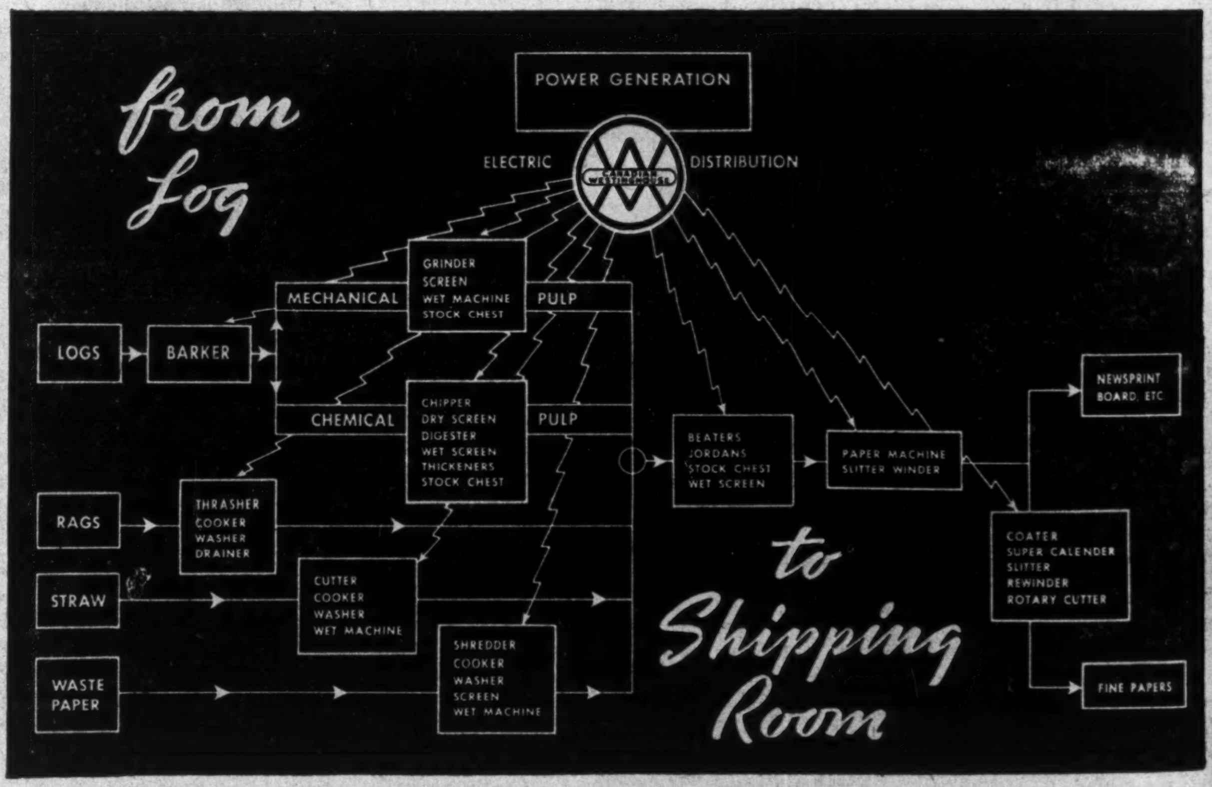
THE ONTARIO-MINNESOTA
PULP AND PAPER COMPANY LIMITED
MANUFACTURERS OF NEWSPRINT PAPER
KENORA DIVISION — KENORA, ONTARIO
FORT FRANCES DIVISION — FORT FRANCES, ONTARIO

The Ontario-Minnesota Pulp and Paper Company, Limited a subsidiary of Minnesota and Ontario Paper Company, is an amalgamation of

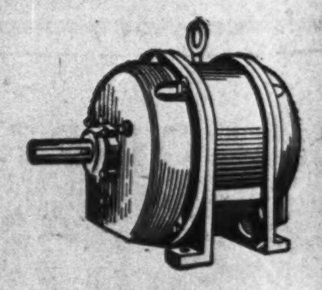
KENORA PAPER MILLS, LIMITED
THE KEEWATIN POWER COMPANY, LIMITED
THE KEEWATIN LUMBER COMPANY, LIMITED
THE FORT FRANCES PULP AND PAPER COMPANY, LIMITED
THE ONTARIO AND MINNESOTA POWER COMPANY, LIMITED

and as such will own the properties and conduct the business of the Companies so amalgamated.






... YOUR ELECTRICAL PARTNER



The chart above shows the wide applications of Westinghouse steam and electrical products in the pulp and paper industry. From complete power plants, through transformers, circuit breakers, relays and other apparatus required for dependable and economical distribution, to the motors, controls and other equipment throughout the mill, Westinghouse equipment enters into every phase of production.

The high performance standards set by this Westinghouse equipment testify not only to the quality of the apparatus, but to the engineering skill in making the application — in fitting the apparatus to the job to be done. It is this combination which makes Westinghouse truly the "partner of the pulp and paper industry." Ask the Westinghouse office near you.

CANADIAN WESTINGHOUSE COMPANY LIMITED
HAMILTON ONTARIO
Sales, Engineering Offices and Service Shops in Principal Cities

9416

Westinghouse

# Training War Workers, Making War Materials Major Pulp and Paper Industry Contribution

Canada's pulp and paper industry has pioneered in the training of skilled tradesmen and in promoting the "bits and pieces" programme which has taken hold in the United Kingdom and the United States.

Practically every pulp and paper mill in Canada which has a machine shop has adopted some plan of training men to help overcome the shortage of skilled tradesmen or is employing its machine tools for the production of war materials.

Men are being trained in machine shop work, blacksmithing, pipe-fitting, welding, millwrighting, tinsmithing, steam-plant work and electrical work.

Machine shops are engaged in producing parts for corvettes, minesweepers, cargo vessels, ordnance, airplanes and special devices.

## Big Sub-contractors

Hundreds of thousands of dollars of subcontract business has been placed with the industry's machine shops and by 1942 the same units will be able to produce several million dollars' worth of war materials.

After the outbreak of war it became apparent, despite the statistically large number of men unemployed, that there was a dearth of technically trained men and skilled mechanical labor to operate existing plants which could be converted to wartime production, or to man new plants which were being built for war purposes.

It also became evident that Canada's machine tool resources, while perhaps sufficient for peacetime economy, were wholly inadequate for providing the equipment necessary for mechanized warfare.

## Three-way Plan

The industry saw this emergency and through the Canadian Pulp and Paper Association embarked on a programme. This programme is divided into three parts: (1) Training men; (2) Upgrading or thinning out its staff to make men available for war industries, and (3) The making, in its own machine shops, of machine parts, particularly those which tend to form "bottle-necks" in Canada's munition-producing industries.

In order to carry out this plan the executive of the Canadian Pulp and Paper Association formed a Wartime Machine Shop Board. As the plan developed, the Board appointed a full-time co-ordinator and staff to arrange necessary contacts between units in the industry and contractors and generally supervised the whole plan for the industry.

## Had Own Problems

When war broke out, the industry was just emerging from a period of extreme difficulty. As a consequence the industry was perhaps shorter of trained men than it might have been in more prosperous times.

Enlistment in the armed forces and loss to other industries depleted this man power still further. In many cases those leaving were men who were difficult to replace — executives, engineers, machinists, draftsmen, electricians, steamfitters, chemists, laboratory assistants, testers, and skilled operators. The outlook for finding the men and the time to train others did not look bright.

In addition conditions varied at different mills. Some are in relatively close proximity to trade schools and could take advantage of their training facilities; others being more remote had to devise different methods of imparting the necessary instruction. No rigid plan was laid down for all mills but, through the initiative of the various plant managers and others in charge, many of the difficulties were surmounted.

## Work Out Plan

Where government trade schools were available, full use is made of them and the training is thereby considerably simplified. Where such schools are not available, a method has been adopted based on the programme instituted by one of the pulp and paper companies in its own mill.

An outline of this latter plan follows:

Because time is so definitely limited, and in order that this training plan may be of the maximum usefulness to the country, the training period has been limited to 12 months. While it is recognized a fully skilled tradesman cannot be trained within a year, investigations indicate a satisfactory basic training can be imparted in that time and men who satisfactorily complete any of the given courses will unquestionably be able to take their places in industry.

The plan consists of two parts: Home study courses to provide the necessary theoretical training and practical shop instruction conducted simultaneously with home study to develop the required manual skill.

## Theory-practise

To supply the theoretical training, arrangements were entered into with the International Correspondence Schools, Canadian, Ltd., whereby more extended courses have been condensed into one year and made available to the men being trained at a lower fee. Examinations are given by the I. C. S. and taken by the students at regular intervals.

To supply the practical training, men chosen for the course are put to work where possible on the particular job for which they are preparing themselves. Where this is not possible, they are required to attend practical courses in the shops at night, and thereby acquire the necessary manual skill.

There have been various modifications of this plan to meet local conditions. In some mills night schools are held and those who show the greatest aptitude are encouraged to take the I. C. S. course.

In still other cases the plan has been simplified even further. Here a group of likely-looking men are actually put on the job and, with the help of instructors, for which they are being trained, acquire sufficient manual skill to carry on alone.

What other method is most suitable for a particular mill, that method is adopted.

## Thinning Out

In the second part of the programme the process of "thinning out," ungrading or diluting is similar to that employed by any industry in a period of normal expansion.

Men with the necessary technical training are advanced, thereby releasing more highly skilled men either for other work within their own mill or in war industries.

The shortage of man power in the industry at the beginning of the war has made the job of "thinning out" a matter of some difficulty, but the accomplishment has been considerable.

Some executives are on loan to the Government and are devoting all their time to government work; others are giving part time while carrying on their normal duties.

Technicians and other skilled men have been "loaned" to munition industries; others are giving their full time to the war work going through the industry's machine shops.

Throughout, individual companies and the individual employees have shown what can be done when there is a will to do it.

## Real Help

In the employment of the industry's machine shops, great practical help has been given to the country's munition programme.

Being usually remote from larger centres, pulp and paper mills of necessity have machine shops for maintenance work. These shops in normal times work an average of eight hours per day, or 48 hours per week.

By working 24 hours a day it is obvious these shops can make available 96 hours per week for other work without disrupting mill maintenance. This means, of course, bringing this new work to the shops rather than transferring the maintenance tools. To transfer the tools would be to disorganize an industry which is Canada's great single source of foreign exchange.

Man power is needed to run the shops on this extended basis, but the industry's training plan and diluting programme make such men available.

If the machine shops of the industry were to engage in making machine parts for war inudstries, it could only be done by subcontracting. In Britain, under the name of "bits and pieces," subcontracting is playing an important part in the war effort. In the United States, under the term "farming out," it is rapidly coming to the fore. It was, therefore, as subcontractors that the mills undertook work of importance for the war effort.

The Wartime Machine Shop Board Co-ordinator makes the necessary contacts between contractors and the subcontractors or mills. Moreover, it being immediately obvious that not all mills are equipped to handle the same type of work in their shops, a survey was made to find out what types of work they were best suited to undertake. Simple questionnaires were used to gather this information and the results co-ordinated.

Thereupon the machine shops of the pulp and paper industry undertook subcontracts for machine parts used in war industries.

The machine shops of the industry enjoy no particular advantages over the shops of other industries for handling this work. True, some of the more remotely located mills have fairly extensive and well-equipped shops, but the majority are just good workmanlike shops for mill maintenance. While there are some fairly recently installed machine tools, there are others that have been in service as much as 30 years. Despite this, several hundred thousands of dollars of subcontracts have been placed by the co-ordinators with the mills.

The dollar value of these orders is not a true criterion of their value. The machine parts made are: "those which tend to form 'bottlenecks' in Canada's munition-producing industries" and the work is, therefore, of much greater value than it first appears.

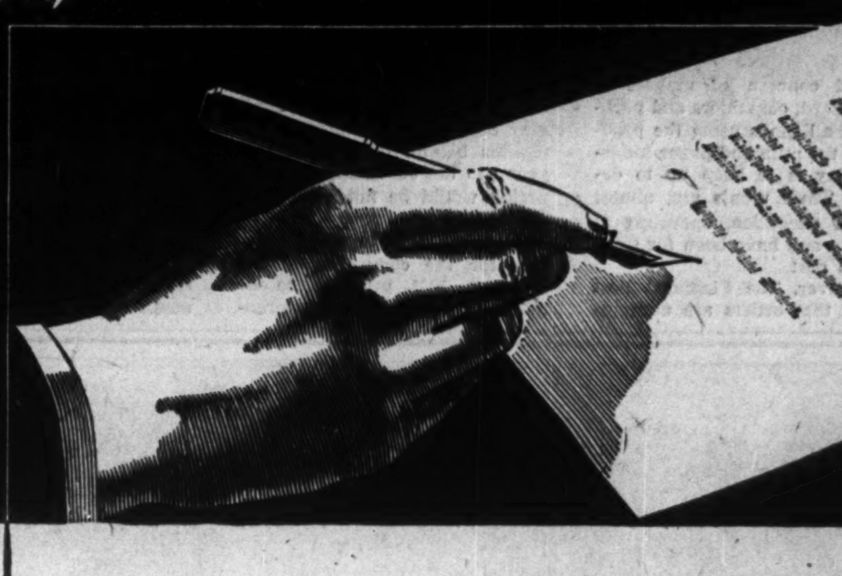
The Wartime Machine Shop Board of the Canadian Pulp and Paper Association is a non-profit-making body. To pay the salaries, office and other expenses of the co-ordinator and his staff, however, a flat percentage on all contracts placed through the Wartime Machine Shop Board is paid by the subcontractor.

When the war is over it is the intention of the Board to have its books audited by the government. Any surplus will be returned to the subcontractors on a prorata basis.

Uniform systems of accounting and records have been established. These have been kept as simple as possible. Throughout the plan, indeed, simplicity has been the keynote—the desire of the industry being to achieve the greatest possible output in the minimum amount of time in the simplest, most effective way.

Workers in the machine shops of Canada's pulp and paper plants are being rallied with posters such as this to do their bit in the growing "bits and pieces" programme of war production. The Wartime Machine Shop Board of the Canadian Pulp and Paper Association has a $4 millions programme.


Signed .... WITH CONFIDENCE



Confidence that is born of quality and dignity gives an added sense of security.

You can sign with confidence when your business letterhead is of Superfine Linen Record. This finest of fine papers has the feel, the appearance, the atmosphere of quality, and is the preferred choice of business executives who believe in the importance of fine paper.

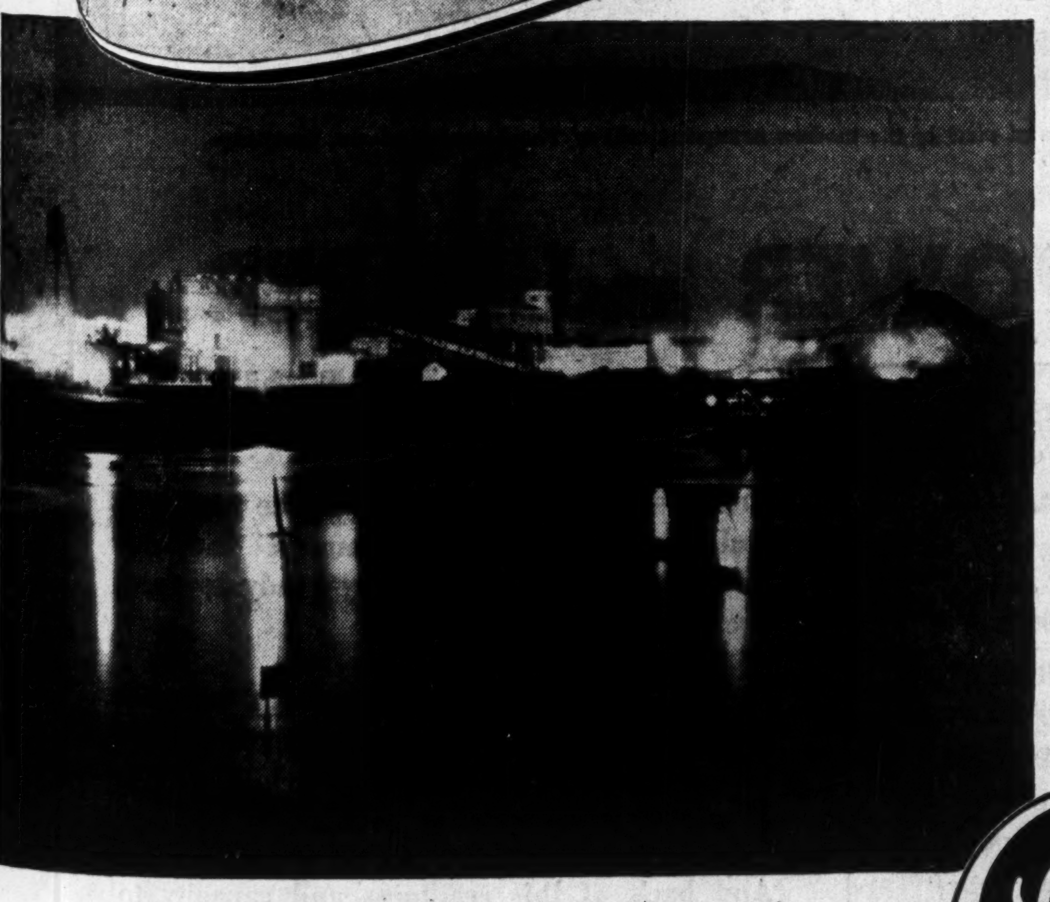
SUPERFINE LINEN RECORD

100% clean, new-rag paper. Defies the ravages of time and is the most desired paper for important letters, deeds and other documents. Ask your lithographer, printer, or engraver about Superfine Linen Record.

ROLLAND PAPER COMPANY LIMITED
High Grade Paper Makers Since 1882
MONTREAL
Branch Office: TORONTO, Ont. Mills at ST. JEROME AND MONT ROLLAND, Que.



EVERYTHING ELECTRICAL for Pulp and Paper Mills..



Generators
Transformers
Lightning Arresters
Switchgear
Motors
Industrial Control
Paper Machine Drives
Motor-Generator Sets
Heating Devices
Welding Equipment
Meters
Instruments
Wire and Cable
Wiring Materials
Insulating Materials
Lighting Equipment
Edison Mazda Lamps

When you specify General Electric equipment you immediately place at your disposal the widest selection of electric machinery for pulp and paper mills in Canada.

You not only have the assurance that the equipment will give day-in and day-out dependable service on the job, but by purchasing all your equipment from one source of supply, Canadian General Electric, you obtain the benefits of undivided responsibility and save time and money.

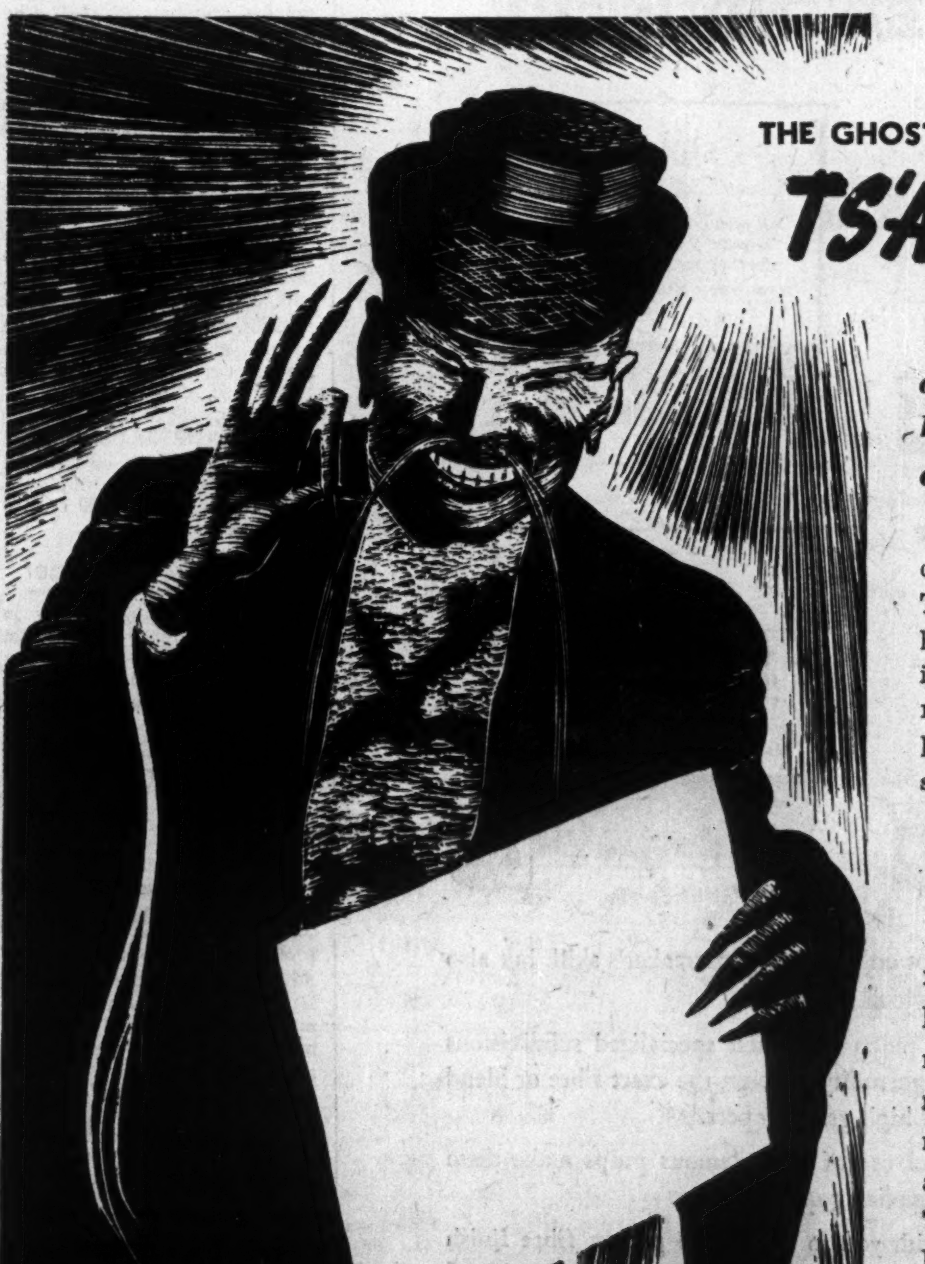
Experienced engineers, at the C-G-E office nearest you, are available to assist you in the selection of equipment best suited to your needs.

CGE—941A

CANADIAN GENERAL ELECTRIC COMPANY LIMITED

Sydney • Halifax • St. John • Quebec • Sherbrooke • Montreal • Ottawa • Noranda • Toronto • New Liskeard • Hamilton • Sudbury • London • Windsor • Fort William • Winnipeg • Regina • Saskatoon • Lethbridge • Edmonton • Calgary • Trail • Kelowna • Vancouver • Victoria





THE GHOST OF TS'AI LUN say:

● *"This humble one delights in having invented the honourable ancestor of Provincial's fine printing papers."*

● Ts'ai Lun was a privy counsellor to the Chinese Emperor Ho Ti. When he invented paper in 105 A.D., he had his own ideas about advertising it. He claimed it had "Mystic powers to raise the dead."—So good advertising has been putting new life in things ever since!

PROVINCIAL PAPER LIMITED SPECIALIZES IN

● The manufacture of fine printing papers for books, catalogues, direct mail advertising and magazines. All Provincial papers are made in the Company's five Canadian mills, and are noted throughout Canada for their uniformity and opacity. The popularity of Oxford Super, a Provincial Paper, has made it *the most used Canadian Printing paper for more than 30 years.*

PROVINCIAL PAPER LIMITED

*Head Office*
388 UNIVERSITY AVENUE, TORONTO
Branch Sales Office: MONTREAL
Mills at: MILLE ROCHES, ONT.; THOROLD, ONT.; GEORGETOWN (2), and PORT ARTHUR, ONT.

# Demand Pushes Box Makers

## Wartime Buying Enlarges Use of Paperboard

Chief concern of makers of paperboard, containers and packages of all kinds using the products of the pulp and paper industry today is to keep up to demand. Their plants are, almost without exception, operating at capacity and have been for some months past.

Moreover, The Financial Post is told that orders are accumulating faster than capacity output can cope with them. Deliveries may be running as much as two months behind now, whereas a year ago the customary delivery period would be not more than two weeks.

From the standpoint of earnings for the companies in the industry, 1941 promises to be better than 1940. It appears probable that the improvement will offset the higher tax burden and leave a somewhat larger share for shareholders.

It is true that some costs are going upward — particularly labor. But not all materials have changed in price.

The war has meant great changes in the container business. For example, in the last war all munitions went overseas in wooden boxes. This time most of it goes in corrugated containers. Partly this is because of better recognition of what can be done with paper and partly it is because better boxes are being made. Manufacturers are being called on to design and make packages for special uses and are working closely with the Department of Munitions and Supply.

### Canadian Wirebound

Capacity operations continue to prevail for Canadian Wirebound Boxes, Ltd., with the major problem to turn out the product required. The company is currently in the midst of a programme of plant expansion and improvement which will probably be completed this year. This has been made necessary to meet requirements of increasing business.

### Corrugated Paper Box

Capacity operations are the rule for the Corrugated Paper Box Co. Incoming orders are accumulating faster than the company is able to produce the boxes and make shipments, with the result that backlog of orders is growing rapidly.

High rate of operations has been able to offset what cost increases have been experienced, with the result that earnings are apparently on a satisfactory basis. Among costs which have gone up may be mentioned wages and certain types of materials. Paperboard has not changed in price.

### G. W. Hendershot

Corrugated paper containers and allied products are made by G. W. Hendershot Corrugated Paper Co., Hamilton. Its sales are made largely under contract with large department stores and distributors in eastern Canada.

### Hinde & Dauch

Tonnage of production by Hinde & Dauch Paper Co. of Canada for the first half of 1941 was above the corresponding period of last year. Capacity operations are indicated during the remainder of 1941, the company states officially.

In spite of some increases in cost, no changes have been made in the company's selling prices. Supplies of raw materials are giving some concern, but no interruption in regular operations is anticipated because of this situation.

### Gair Co. Canada

Gair Co. Canada Ltd., wholly owned subsidiary of Robert Gair Co., New York, reports a profit of $121,481 for the six months ended June 30 this year. This is after provision for Canadian taxes and compares with $99,312 for the first half of 1940. The parent company and its U. S. subsidiaries reports a profit of $586,411 for the first half of 1941, as compared with $437,905 for the corresponding period of 1940.

### Interlake Tissue

A wide range of paper specialties are made by Interlake Tissue Mills in its plant at Merritton, Ont. Its products include paper napkins, towels, decorative crepe papers and similar products. Annual capacity of the plant is 10,000 tons.

Near capacity operations have been reported in recent years although no details of financial position are available. Capitalization consists of $625,000 of $100 par common shares.

### Canadian Wallpaper

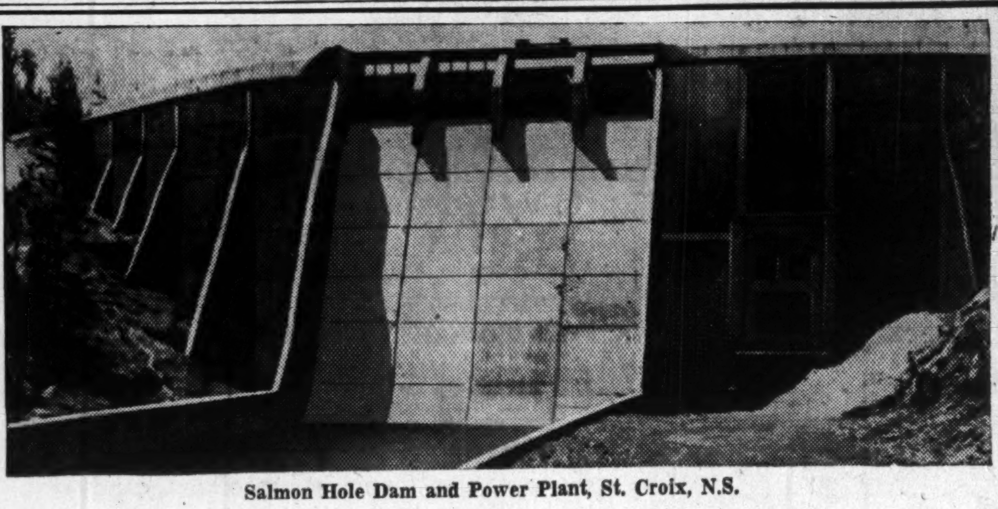
While it is still too early in the season to make any forecast as to what the trend of sales for Canadian Wallpaper Manufacturers Ltd. will be for the current selling season, there seems little reason to believe it will be any less favorable than last year, based on general business trends.

The company is experiencing some rise in the cost of its raw materials. It paper is 100% made in Canada and there has been no interference with supplies, although prices are higher. The company operates its own color department and here again no serious embarrassment has been experienced. Export markets have been pretty well closed since the war started.

### Westminster Paper

Westminster Paper Co. produces a wide range of paper specialty products at its plant at New Westminster, B.C. A subsidiary, Pacific Coast Paper Mills, carries on business in the United States.

The company's plant is modern, its first unit starting operations on May 27, 1930, to replace a former plant which was destroyed by fire. Early in 1940 a $125,000 extension to its Westminster plant was used to manufacture sanitary napkins. This year the company undertook an expansion programme which would substantially increase the paper production and modernize its equipment.



Salmon Hole Dam and Power Plant, St. Croix, N.S.

PRODUCERS OF HIGH GRADE MECHANICAL FIBRE

Presently operating to capacity on outstanding contracts, with installed capacity increased from 70 to 110-120 tons daily. Total installed power development 7,100 h.p.

MINAS BASIN PULP AND POWER COMPANY
HANTSPORT Limited NOVA SCOTIA

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

FOUR CORNERSTONES of the PAPER INDUSTRY

WHITE HUSKY* (Albalized Cellate Pulp)
Gives paper the brightness of the best sulphite and the strength of rugged kraft.
MADE FROM NORTHERN SPRUCE
A CELLULOSE PRODUCT OF BROWN CORPORATION QUALITY

SOLKA* PUREST FORM OF WOOD CELLULOSE
A group of premium fibres — pure, strong, durable — for the finest quality papers.
MADE FROM NORTHERN SPRUCE
A CELLULOSE PRODUCT OF BROWN CORPORATION QUALITY

DUR-ALBA* (Hardwood sulphite)
A short, high white, bulky fibre for superfine papers or blending with longer, stronger pulps to improve formation, finish, watermark, bulk and opacity.
MADE FROM NORTHERN BIRCH
A CELLULOSE PRODUCT OF BROWN CORPORATION QUALITY

REGULAR LA TUQUE SULPHATE
The highest quality No. 1 spruce kraft pulp. It combines extra strength with light color and extreme flexibility.
MADE FROM NORTHERN SPRUCE
A CELLULOSE PRODUCT OF BROWN CORPORATION QUALITY

A fine sheet of paper depends not only on the papermaker's skill, but also on the quality of the pulp from which it is made.

Brown Corporation's four basic pulps with their specialized subdivisions offer paper manufacturers an opportunity to select the exact fibre or blend of fibres required for all types of high grade papers.

The high quality and widespread use of these famous pulps make them vital cornerstones in the great Canadian paper industry.

Our technical staff will work with you to obtain the perfect fibre finish for *your* particular papers. Build your papers on the "Four Cornerstones of the Paper Industry." No better pulps were ever made!

* REG. TRADE MARK

BROWN CORPORATION
FOREMOST PRODUCERS PURIFIED CELLULOSE
MILLS: LA TUQUE, P.Q. • SALES OFFICE: MONTREAL

Again in the Service of the Crown!

P B ESTABLISHED OVER 100 YEARS

History Repeats Itself

IN THE Napoleonic wars Britain turned to the rich Saguenay timber limits for the tall masts of His Majesty's battleships — William Price, the founder of this company in 1817 having first come to Canada in 1810 as a representative of the British Admiralty.

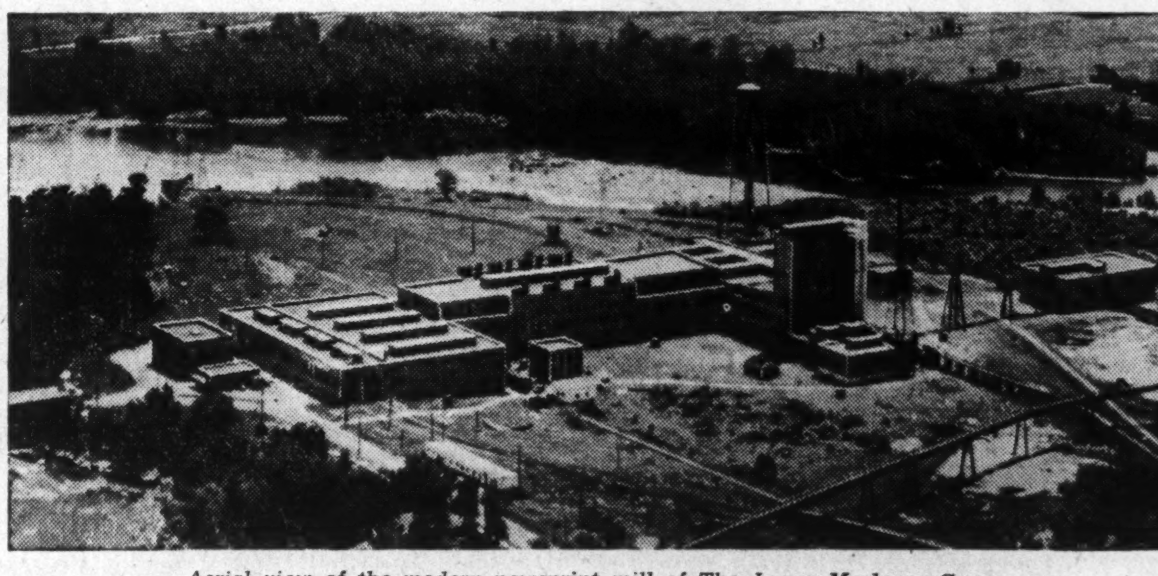
Those tall spars contributed to the defeat of the would-be world dictator of those days.

One hundred and thirty years later, Price Bros. & Company still have their Saguenay timber limits — which are doing their share in bringing about the downfall of another seeker of world conquest.

In today's modern world it is pulp, newsprint and lumber which are the basic products in place of the masts of a century ago . . . lumber for the bombed areas of Britain, newsprint to carry the message of free men — and to earn the dollars that buy materials of war.

The history of Price Bros. & Company repeats itself, even as the history of free men of the forest, the farm, the factory and the fighting forces will repeat itself — to protect and to maintain their heritage of liberty in their time.

PRICE BROTHERS & CO. LIMITED
*Producers of*
HIGH GRADE LUMBER, BOXES, SHOOKS, STAVES, SHINGLES, LATH, ETC.
Mills at Rimouski, Priceville, Matane
NEWSPRINT BOARD AND SPECIALTIES
Mills at Kenogami, Riverbend, and Jonquiere
HEAD OFFICE — PRICE HOUSE, QUEBEC, P.Q.



*Aerial view of the modern newsprint mill of The James Maclaren Company.*

POWER and PAPER for TODAY'S NEEDS

Salient Features of the Maclaren Development
•
POWER
Installed capacity
270,000 h.p.
STORAGE RESERVOIR
30,000,000,000 cu. ft.
GROUNDWOOD
85,000 Tons Annually
NEWSPRINT
350 Tons Daily
PULPWOOD LIMITS
2,600 sq. miles

Increasing requirements for power for large scale vital industrial expansion for war purposes finds this company ready to meet present important demands.

In the field of newsprint — that valuable source of much-needed foreign exchange — the company's modern and efficient mill is geared for full and economical production.

And back of this readiness and capacity to serve stands the name Maclaren which for over 70 years, in the Ottawa Valley has stood for fair dealing and a quality product.

Maclaren Power & Paper Company
Maclaren-Quebec Power Company • The James Maclaren Company Limited
BUCKINGHAM, QUEBEC

**nvestors' Record**

# Major Canadian Pulp, Paper Operators

## Newsprint Group

| | Timber Supply Cords or Sq. Miles | Mill Capacity Tons Annual | (IN THOUSANDS OF DOLLARS) Gross Income 1940 | Gross Income 1939 | Depreciation 1940 | Depreciation 1939 | Net Revenue 1940 | Net Revenue 1939 | Times Bond Interest Earned 1940 | Times Bond Interest Earned 1939 | Profits Per Share 1940 | Profits Per Share 1939 | Net Working Capital (in Thousands) 1940 | Net Working Capital (in Thousands) 1939 | Market Value Common Stock | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| itibi, Power and Paper* | 54,138,000 | 601,000 | $8,571 | $3,949 | $4,500 | $1,785 | $3,687 | $1,660 | ...... | ...... | $...... | $...... | $18,828 | $10,772 | $1 | Company in receivership. |
| water's-Newfoundland* | 20,000,000 | 210,000 | 2,983 | 2,172 | 730 | 701 | 2,253 | 1,471 | 1.81 | 1.30 | 0.63 | 0.20d | 8,009 | 5,365 | ...... | Controlled by Bowater's Paper Mills Ltd., London, Eng. |
| n. International Paper* | 55,729,600 | 680,000 | 11,682 | 5,612 | 5,650 | 2,134 | 5,279 | 2,729 | 1.45 | 0.81 | 12.70 | 8.26d | 22,213 | 17,854 | ...... | All stock owned by International Paper Co. |
| nsolidated Paper* | 62,000,000 | 620,000 | 8,558 | 5,177 | 4,480 | 3,404 | 4,051 | 1,413 | 1.46 | 0.50 | 0.32 | | 12,012 | 7,254 | 4 | |
| nnacona Paper* | 1,000 sq. m. | 85,000 | 1,091 | 766 | 558 | 419 | 533 | 346 | 1.80 | 1.17 | 0.34 | 0.02 | 1,146 | 1,340 | 5½ | |
| eat Lakes Paper | .......... | 114,000 | 1,804 | 1,053 | 561 | 449 | 1,243 | 604 | 4.06 | 1.99 | 0.82d | 1.63d | 2,501 | 1,960 | 3 | |
| ke St. John Power & Paper* | 12,000,000 | 103,000 | 1,213 | 773 | 556 | 286 | 657 | 487 | 2.14 | 1.57 | 0.04 | 1.08d | 2,561 | 2,084 | 13 | Controlled by St. Lawrence Paper Mills and St. Lawrence Corp. |
| claren Co., James | 2,600 sq. m. | 101,000 | 1,301 | ...... | 513 | ...... | 660 | ...... | Nil | ...... | ...... | ...... | ...... | ...... | ...... | Owned by Maclaren Power and Paper Co. |
| rsey Paper Co. | 3,300,000 | 107,000 | 1,442 | 1,543 | 642 | 628 | 800 | 915 | 2.67 | 2.53 | 0.39 | 1.09 | 1,407 | 1,860 | ...... | Stock privately held. |
| nnesota & Ontario Paper | 13,700,000 | 180,000 | 2,777 | ...... | 1,386 | ...... | 1,391 | ...... | 2.0 | ...... | ...... | ...... | 8,966* | 1,860 | ...... | *At Mar. 31, 1941. Re-organized in 1941. |
| ice Bros. and Co.* | 8,000 sq. m. | 372,000 | 5,495 | 2,335 | 1,884 | 1,162 | 3,363 | 1,177 | 5.0 | 2.1 | 2.17 | 0.23d | 11,230 | 9,745 | 12¼ | Returns for 1939 cover 9 months ended Dec. 31. |
| Lawrence Corp. | 8,000,000 | 63,000 | 1,437 | 811 | 471 | 375 | 982 | 452 | Nil | ...... | 2.11 | 1.16 | 2,831 | 2,419 | 17½ | Returns are for wholly-owned Brompton Pulp and Paper. |
| Lawrence Paper Mills | 6,000,000 | 183,000 | 1,658 | 872 | 772 | 777 | 886 | 95 | Nil | ...... | 4.14 | 0.44 | 2,308 | 1,424 | 40 | Profit shown is on preferred. Common held by St. Lawrence Corp. |

*Also has important surplus of pulp, lumber, or insulating board to sell.

**Companies Whose Financial Statements Are Not Available**

| | Timber Limits | Mill Capacity, Tons |
|---|---|---|
| tario Paper Co. | 4,278 sq. m. | 283,000 |
| cific Mills Co. | 275 sq. m. | 74,000 |
| well River Co. | 460 sq. m. | 212,000 |
| Spruce Falls Power & Paper | 10,500,000 | 200,000 |
| Beaver Wood Fibre Co. | 246 sq. m. | 25,200 |
| Booth Ltd., J. R. | 4,734 sq. m. | 20,000 |
| Anglo Canadian Pulp and Paper | 3,460 sq. m. | 180,000 |
| Donohue Bros. Ltd. | 417 sq. m. | 49,000 |
| Eddy Co., E. B. | 1,846 sq. m. | 47,000 |
| St. Raymond Paper Co. | ............ | 12,000 |

## Fine Paper Group

| | Timber Supply | Mill Capacity | Gross Income 1940 | Gross Income 1939 | Depreciation 1940 | Depreciation 1939 | Net Revenue 1940 | Net Revenue 1939 | Times Bond Interest Earned 1940 | Times Bond Interest Earned 1939 | Profits Per Share 1940 | Profits Per Share 1939 | Net Working Capital 1940 | Net Working Capital 1939 | Market Value Common Stock | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| oward Smith Paper* | 2,000 sq. m. | 77,600 | 4,513 | 3,121 | 1,170 | 1,075 | 3,342 | 2,044 | 12.23 | 6.89 | 2.23 | 3.10 | 3,227 | 3,302 | 15½ | |
| rovincial Paper | 2,500 sq. m. | 58,900 | 1,056 | 935 | 300 | 300 | 756 | 635 | 3.73 | 3.40 | 0.28 | 0.99 | 2,875 | 2,803 | ...... | Controlled by Abitibi. |
| olland Paper Co. | ............ | 8,900 | 560 | 527 | 181 | 150 | 320 | 322 | 3.70 | 3.81 | 1.20 | 1.77 | 870 | 884 | ...... | |
| estminster Paper Co. | ............ | 6,200 | 312 | 254 | 57 | 55 | 134 | 200 | ...... | ...... | 1.47 | 2.97 | ........ | 271 | ...... | Stock closely held. |

*Also has surplus pulp for sale. † Has important production of newsprint paper.

**Companies Whose Financial Statements Are Not Available**

| | Timber Limits | Mill Capacity, Tons |
|---|---|---|
| Eddy Co., E. B.† | 1,846 sq. m. | 30,000 |
| Interlake Tissue | ............ | 8,000 |

## Pulp Group

| | Timber Supply | Mill Capacity | Gross Income 1940 | Gross Income 1939 | Depreciation 1940 | Depreciation 1939 | Net Revenue 1940 | Net Revenue 1939 | Times Bond Interest Earned 1940 | Times Bond Interest Earned 1939 | Profits Per Share 1940 | Profits Per Share 1939 | Net Working Capital 1940 | Net Working Capital 1939 | Market Value Common Stock | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| C. Pulp and Paper | 242 sq. m. | 136,400z | 2,316 | 438 | 643 | 225 | 1,673 | 213 | 4.94 | 0.56 | 3.02 | 1.86d | 777 | 143 | ...... | z Plant being enlarged to this capacity. |
| rown Corp. | 20,000,000 | 285,000p | 3,149 | 1,534d | | ...... | ...... | ...... | ...... | | ...... | ...... | 4,283 | 1,092 | ...... | p Also 60,000 tons specialty kraft papers. Being reorganized. |
| ryden Paper Co. | 2,000,000 | 25,000x | 315 | 170 | 215 | 97 | 75 | 78 | 1.00 | 1.00 | ...... | ...... | 556 | 487 | 12½ | x About 15,000 tons finished in form of kraft bags, etc. |
| raser Cos. | 15,500,000 | 49,650‡ | 3,221 | 1,768 | 1,681 | 1,082 | 1,429 | 547 | 1.91 | 0.72 | 1.00 | 0.56d | 3,965 | 3,840 | ...... | |
| inas Basin Pulp | 200 sq. m. | 37,200 | 269 | 201 | 88 | 76 | 66 | 97 | 1.60 | 2.33 | ...... | ...... | 291d | 380d | ...... | Stock privately held. |

‡Also has for sale annual output of 82,150 tons of fine papers; 18,600 tons of paper board and large quantity of lumber.

**Companies Whose Financial Statements Are Not Available**

| | Timber Limits | Mill Capacity, Tons |
|---|---|---|
| Gaspesia Sulphite Co. | ............ | 40,000 |
| Lake Sulphite Pulp Co. | ............ | ............ |
| Port Royal Pulp & Paper | ............ | 38,750 |
| Quebec Pulp & Paper | 5,000,000 | ............ |

## Miscellaneous Group

| | Timber Supply | Mill Capacity | Gross Income 1940 | Gross Income 1939 | Depreciation 1940 | Depreciation 1939 | Net Revenue 1940 | Net Revenue 1939 | Times Bond Interest Earned 1940 | Times Bond Interest Earned 1939 | Profits Per Share 1940 | Profits Per Share 1939 | Net Working Capital 1940 | Net Working Capital 1939 | Market Value Common Stock | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| thurst Power & Paper | 18,500,000 | 45,000(1) | 1,728 | 517 | 432 | 414 | 786 | 81 | Nil | ...... | 1.97 | 0.20 | 2,800 | 2,483 | 13½ | |
| ilding Products | ............ | 27,900(2) | 1,049 | 755 | 99 | 66 | 414 | 487 | Nil | ...... | 0.86 | 1.01 | 1,788 | 1,955 | 14⅜ | |
| nadian Wirebound Boxes | o | ............ | 293 | 204 | 81 | 62 | 111 | 120 | Nil | ...... | 1.96 | 2.12 | 381 | 309 | 21 | Earnings and price on Class A. |
| nadian Wallpaper | o | ............ | 199 | 198 | ...... | ...... | 152 | 151 | Nil | ...... | 1.18 | 1.17 | 1,299 | 1,241 | 9 | Stock inactive. |
| rrugated Paper Box | o | ............ | 166 | 131 | 44 | 41 | 56 | 59 | Nil | ...... | 0.24 | 0.29 | 407 | 339 | ...... | Stock inactive. |
| ir Co. of Canada | ............ | 62,000(6) | 1,030 | 588 | 218 | 214 | 812 | 374 | 6.05 | 4.75 | 2.63 | 2.01 | 752 | 587 | ...... | Wholly owned by Robt. Gair Co. Inc. |
| inde & Dauch | ............ | 99,200(3) | 924 | 538 | 188 | 176 | 837 | 384 | 38.01 | 16.38 | 1.39 | 0.99 | 1,485 | 1,252 | 10½ | |

**Companies Whose Financial Statements Are Not Available**

| | Timber Limits | Mill Capacity, Tons |
|---|---|---|
| Sidney Roofing Co. | ............ | 9,300(4) |
| Vancouver Kraft Products | ............ | 26,300(5) |

(1) In addition to kraft liner board, 22,000 tons unbleached sulphite pulp, 24,000 tons cylinder board and 21,500 tons of newsprint.
(2) Building papers.
(o) A converter and not a producer of pulp or paper.
(3) Paperboard.
(4) Boxboards and specialties.
(5) Sulphate fibre.
(6) Paperboard.
NOTE: Figures used are, in the main, from official reports.

# Capacity Demand For Fine Papers

## Supply Needs of Other Countries Cut Off From Usual Sources

Wartime conditions have greatly increased the volume of business available to the fine paper and specialty paper mills in Canada. This has been brought about in several ways. In the first place the greatly expanded industrial and business conditions throughout the country have created a demand for the better grades of paper. Secondly, there has been a sharp increase in demand for papers from other countries which ordinarily were dependent upon European sources of supply. Thirdly, elimination of the Scandinavian countries from the markets outside Europe has done away with competition for the Canadian mills in the domestic market.

Operations have been carried on by this branch of the industry at a high rate of capacity. Last year production of book and writing papers increased approximately 15% as compared with 1939. This gain has been held during the current year.

### Empire Marts First

Since the outbreak of war there has been an increased demand for Canadian papers from countries which formerly received supplies from Europe. The mills have been unable to take care of all these demands; nevertheless there has been a considerable increase in exports of Canadian-made fine papers.

The mills are co-operating closely in an endeavor to supply export demands, priority being given to Empire markets, thus helping to maintain Canada's foreign trade.

The connections thus established are important and every effort is being made to establish permanent connections, as after the war these markets will be useful and valuable outlets for a considerable tonnage.

The paper mills making light weight specialties have been operating, for the most part, to capacity since the beginning of 1940. Domestic business has been exceptionally good.

The European sources of supply of light weight papers, not being available for the Canadian market, and also to a large extent the British and South American markets, the Canadian mills have been able to run full time by filling the gap with export business.

Similar conditions have prevailed with mills manufacturing tissue paper and tissue paper specialties.

A general increase in this line of business was to be expected. There has been an added Canadian volume of business due to cutting off of imports from Scandinavian countries. Further additional business has become available because of the Canadian government's policy of conserving sterling and Canadian exchange, which has restricted imports of certain paper specialties from the United States.

### Export Active

The export trade to overseas countries, and particularly to Empire countries, has offered greater opportunities to the Canadian mills than has been the case for many years.

In all three major branches of the paper business — book and writing, light weight specialty, and tissue, demand has been far above the average of recent years.

Though sales have increased sharply, manufacturers have endeavored to keep prices under control. Costs of supplies, etc., have increased generally and though prices are higher, the advance has, in the main, been moderate.

### Reduced Supplies

While the war has brought about a marked increase in sales, it has also brought problems.

Earlier this year the fine paper makers agreed, at the request of the government, to reduce consumption of titanium dioxide, a white pigment used by paper mills to brighten papers and to make them more opaque.

Coincident with this step the manufacturers curtailed the use of chlorine by 10%. The latter is used as a bleaching agent in the manufacture of pulp for use in rayons, fine papers, etc. There is a possibility of further restrictions in the use of chlorine until such time as other supplies have been built up to take care of war demands.

### Want Many Types

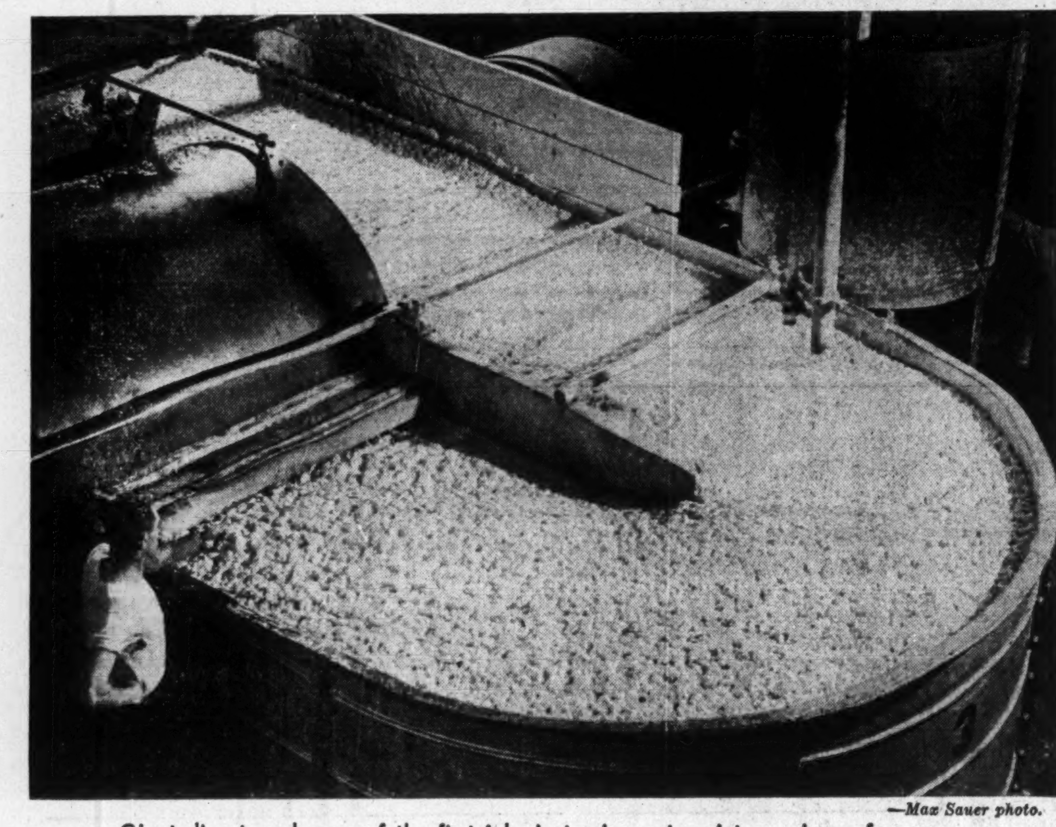
The one big problem of the fine paper manufacturers in Canada is to produce all the kinds of paper required for the relatively limited quantities dictated by a comparatively small but widely scattered population.

In the past the industry has been considerably handicappped, not only because of the limited demand for certain items but also because of competition of the imported product from the United States and Europe. The conditions arising out of the war and already enumerated, have given the Canadian mills an opportunity to demonstrate their ability to take care of the domestic requirements in Canada for practically all grades of fine paper.

War conditions thrust upon this branch of the industry heavy demands for "fine" papers from the United Kingdom, also from the British Commonwealth and other countries which previously had relied on European sources of supply.

By ingenuity and co-operation these demands have, to a large extent, been met — and without failure to adequately furnish needs of Canadian users.

Despite the importance of this branch of the pulp and paper industry, there are comparatively few fine paper manufacturers in the Dominion.



—Max Sauer photo.

Giant digesters do one of the first jobs in turning a tree into a piece of paper or chemical component for a bomb.

### Fraser Paper

There is only one fine paper manufacturer in the Maritimes, namely, Fraser Paper Co., a wholly owned subisidiary of Fraser Companies.

Technically Fraser Paper is not a Canadian operator. The mill is located in Madawaska, Me., and practically its entire output is for U. S. consumption.

Fraser Paper's plant has six machines capable of producing 155 tons of sulphite bond and waxing papers and 110 tons of catalogue paper daily.

Particulars of the operations and earnings of this company are consolidated with those of the parent company, so that it is not possible to analyze the progress or otherwise of the company.

The Madawaska plant operated at a higher percentage of capacity in 1940 than during the previous year. It is assumed that this improvement has been maintained during the current year.

There is no direct investment interest in Fraser Paper Ltd. The company has an authorized issue of $4 millions of first mortgage bonds, of which $2.5 millions have been issued and are pledged as part security for the parent company's bonds. In addition, $7.5 millions of general mortgage bonds are also pledged as security for the parent company's bonds.

### Rolland Paper

Two of the principal fine paper makers in the Dominion are located in Quebec—Rolland Paper Co. and Howard Smith Paper Mills.

Rolland Paper, which operates two mills, one at Mount Rolland and the other at St. Jerome, enjoys a well-established business. Throughout the depression years the company maintained its net working capital position, while since then both revenues and net earnings have moved ahead.

Last year net earnings amounted to $501,576, compared with $472,562 the year before. Because of larger write-offs, etc., earnings on the capital stock were somewhat less than in 1939. During the past year the company spent $383,451 on capital account. Most of this was expended on a new paper-making machine at the St. Jerome mill, which came into operation toward the end of the year and substantially increased capacity of the company's mill.

In this connection, the company issued, last May, an additional $100,000 of its 4½% bonds, proceeds from which were used to supplement working capital reduced by capital expenditures. Sales and earnings for the current year have continued on a satisfactory basis and expectations are that the financial statement for 1941 will make better reading for the shareholders.

On August 1 last the voting trust agreement, covering a block of 34,500 common shares, was terminated. Voting trust certificates, representing these shares, were put on the market in July, 1936. It was originally provided the agreement would extend to August 1, 1947, unless terminated sooner.

### Howard Smith

With its subsidiaries, Howard Smith Paper Mills constitutes one of the largest fine paper makers in Canada.

This company owns plants at Cornwall, at Beauharnois and Crabtree Mills. In addition, it controls Canada Paper Co., Alliance Paper Mills, Federal Paper Co. and Howard Smith Chemicals, which units operate at Windsor Mills, P.Q., Cornwall and Merritton, Ont.

Collectively the Howard Smith units have a larger capacity of fine papers than any other manufacturer in the Dominion.

**Big Year in 1940**

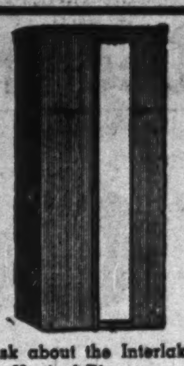
Last year was an exceptionally good one for the company. Gross income of around $4.6 millions compared with $3.2 millions the year before. Despite a heavy increase in reserve for taxation, earnings on the common stock amounted to $2.23 a share as against $3.10 the year before. The increase in taxes amounted to nearly $5 a share.

Over the last few years considerable progress has been made by the company in consolidating its various subsidiary interests.

With the exception of a few shares, the balance of the share capital of Alliance Paper Mills Ltd. was acquired during the past year.

The outstanding shares of Howard Smith Chemicals Ltd. were acquired, and its balance sheet and profit and loss st

(Continued on page 27)

Your Washrooms will be better —and your towel costs less—with

Interlake PAPER TOWELS

Ask about the Interlake Vertical Dispenser

INTERLAKE TISSUE MILLS CO. LIMITED

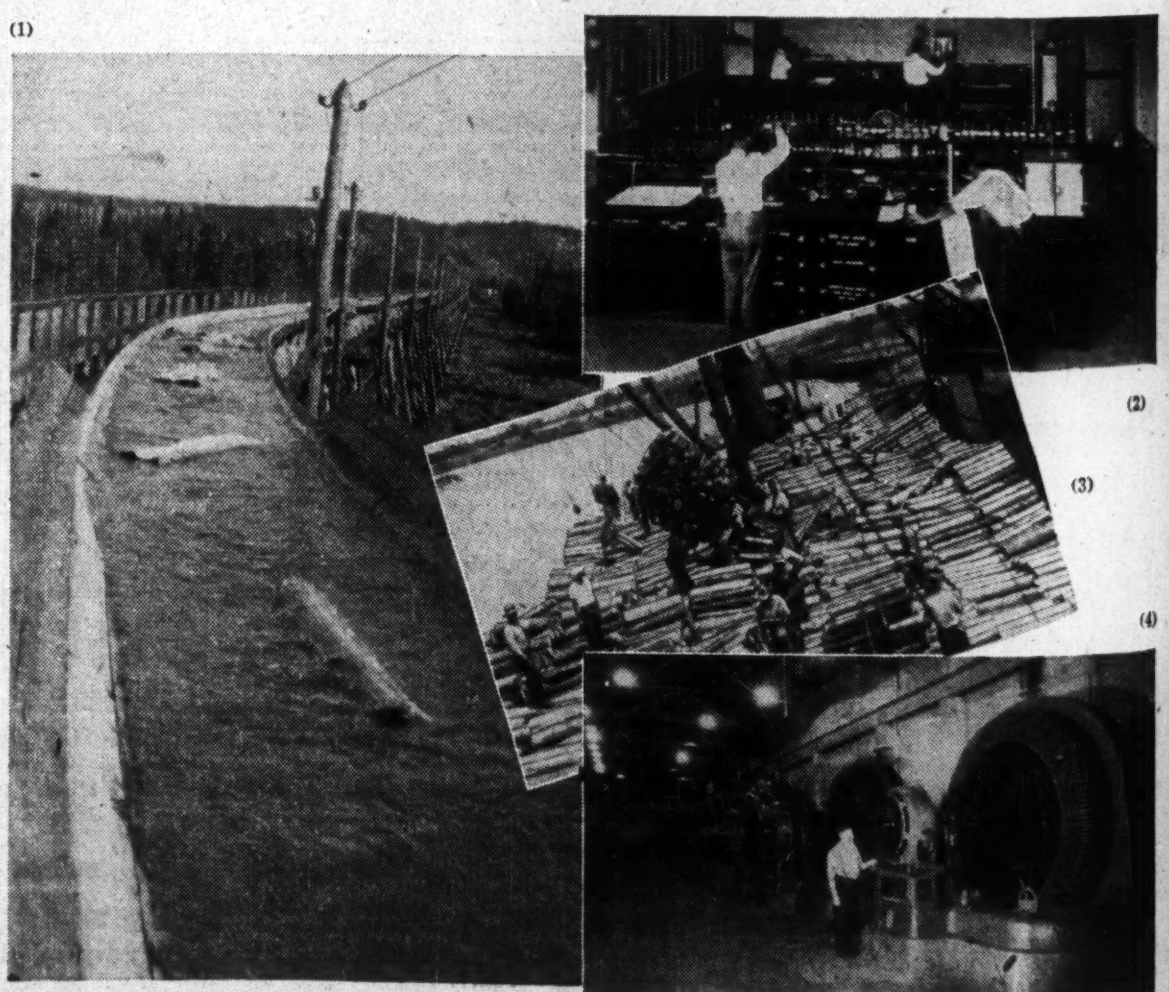
TORONTO MONTREAL WINNIPEG VANCOUVER

THE Ontario Paper Company and its subsidiary, Quebec North Shore Paper Company, do not sell newsprint in the market or to publishers. They do not compete with commercial newsprint manufacturers because their publisher-owners use all the paper they make.

. . .

But the commercial newsprint manufacturers and the country generally benefit from the operations of these two non-commercial mills because —

1. Their owners have bought no less than $88,468,626 worth of newsprint since 1920 from the commercial newsprint mills. This is in addition to what they themselves have produced.
2. The Canadian war effort has benefitted by the United States exchange they have produced. Their publisher-owners in 1940 imported $19,161,105 worth of newsprint into the United States all of which was made in their own mills in Canada or purchased from other Canadian mills. Last year out of every $6 worth of newsprint Canada exported to the United States to secure war dollars, the owners of these two companies bought more than one dollar's worth.
3. They give employment to thousands of Canadians in their mills at Thorold, Ontario, and Baie Comeau, Quebec, and in their woods operations on the north shore of Lake Superior and the north shore of the Gulf of St. Lawrence. They purchase millions of dollars' worth of food, equipment, chemicals, machinery and other supplies in Canada.



*(1) Through miles of flumes, rushing water swishes pulpwood from the woods to the loading dock.*

*(2) Every step in newsprint manufacture is controlled in the laboratory.*

*(3) Unloading pulpwood from boat at the Thorold mill.*

*(4) Niagara Power operates the mill at Thorold.*

Everyone who is interested in learning more about Canada's great newsprint industry—about the cutting operations in the woods, getting the logs to the mill, the process of manufacture, the people it employs, the towns depending on it, the United States dollars it brings in for war purchases — should have a copy of this splendidly illustrated, educational booklet, "No Newsprint For Sale."

It relates the history and growth of The Ontario Paper Company, describes the conditions prevailing in the Canadian newsprint industry during the past two decades, and deals fully with the subject of proration of output.

Write for your copy today to:

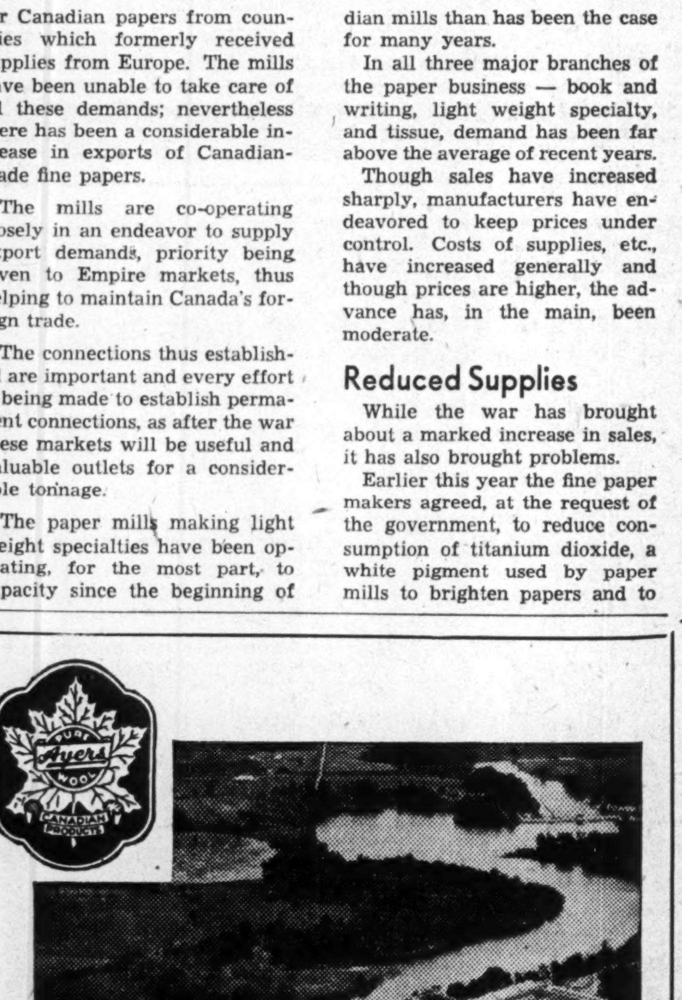
**THE ONTARIO PAPER COMPANY LIMITED**
**THOROLD, ONTARIO**

Subsidiary

**QUEBEC NORTH SHORE PAPER COMPANY**
MONTREAL, QUEBEC

Manufacturers of newsprint for their publisher-owners only.
Organized and operated as non-commercial mills.
Never selling newsprint in the market or to other publishers.





SEVENTY years ago this business was started in a small way at Lachute Mills, Quebec.

Today we stand ready with these efficient mills and plants to make our full industrial contribution to Canada's needs as leading manufacturers of

Pulp and Paper Makers' Felts
Woollen Cotton Asbestos

Pure wool blankets as used in printing, machine clothing and stereotyping, as well as wool coverings for domestic use and woollen fabrics for the clothing trade.

Ayers LIMITED

Established 1870 at Lachute Mills, Quebec

# B. C. Newsprint Mills Expand

## Operators Spend Large Sums — Diversifying Output

Newsprint operations on the Pacific coast are carried out by the Powell River Co. at Powell River, and by Pacific Mills Ltd. at Ocean Falls. Between them they have a productive capacity of between 275,000 and 300,000 tons of newsprint annually.

Operations currently and for the past year and a half have been somewhat better than 75% of rated capacity. These mills are not party to the prorating scheme which prevails in Ontario and Quebec, although the rate of production parallels that in the East.

The reallocation of world markets due to disruption of regular sources of supply by war conditions has brought to the Pacific coast mills a number of new and widening of existing markets near at home, more particularly in the United States. They have also shared in the Australasian market, but rationing of supply in that country has had the effect of diverting a larger proportion of the output of Powell River and Pacific Mills to the American market.

### Powell River

Powell River Co., which is privately owned by the Brooks interests in Minneapolis, has been steadily diversifying its output to lessen dependence upon newsprint. In 1938 the company established a pulp plant with a capacity of 100 tons of sheet sulphite a day, about 55% air-dried. Last year further work was undertaken on the plant, resulting in installation of a new drier and baling press, permitting production of unbleached sulphite pulp 90% air-dried. There was no change in the normal capacity of the plant.

Toward the end of last year Powell River commenced production of building paper. Five grades are being manufactured. The first grade is extra strong and of a heavy kraft construction, combined with uniform filling of asphalt. The second is a medium strength sulphite kraft paper. The third is a standard strong sulphite paper. The fourth is a ready-colored, vapor-proof, buff-toned inside sheathing, and the fifth is a medium-weight, vapor-proof board sheathing made from four sheets of heavy paperboard cemented together with three layers of asphalt.

**Enlarging Sulphite Mill**

This summer the company announced a construction programme involving an addition to its sulphite pulp mill at an estimated outlay of nearly $1 million.

The extension, according to company officials, will enable the company to bring its production of high-grade sulphite pulp up to 100 tons a day. The bulk of this new product will be exported to the United States.

The announcement followed advices from Ottawa that the Dominion Government has allowed the company special depreciation allowances for two years, during which time, it is estimated $3¾ millions of United States money will come into Canada through the increased pulp exports.

**In Anti-Trust Suit**

Powell River was one of the seven coast companies which was indicted by a federal grand jury in San Francisco for violation of the anti-trust laws in connection with the manufacture and distribution of newsprint paper on the Pacific coast.

Last May the company, together with other defendants, pleaded nolo contendere—a plea which neither admits nor denies guilt but leaves disposition of the case to the discretion of the courts. A nominal fine was levied against the company's sales organization and the case closed.

### Pacific Mills

Pacific Mills Ltd., Canadian operating subsidiary of the Crown Zellerbach Corp., reports earnings in the year ended April 30 last, of $847,313 in U. S. funds. This was after deducting minority shareholders' interest, and compares with $920,924 in the preceding year.

Somewhat lower net earnings for the past year was due almost entirely to increased taxation, as gross income was the highest on record. Of the net profits, 70.25% were absorbed by taxes.

**Diversify Operations**

Operations of Pacific Mills are well diversified. In addition to plant capable of producing about 75,000 tons of newsprint annually, the company has a fairly large surplus output of sulphite and sulphate pulp and has the equipment to process around 30,000 tons of wrapping paper and various specialty papers.

No major plant expenditures have been undertaken by the company recently, but during the past spring and summer a considerable sum was spent on new housing for its employees.

—Howard Smith Paper Mills photo.

Constant scientific research goes on in the pulp and paper industry: probing for the new and the better; checking to maintain present high standards.

## Pulp and Paper Bonds Advance in Value

Progress made by the Canadian pulp and paper industry over the past year is reflected in the market value of operators' bonds outstanding in the hands of the public. In the case of 14 actively traded bonds, advances in price over the past year have ranged from a fraction of a point to as much as 39¾ for the Minnesota and Ontario 5% bonds of 1960. The latter represents an increase of nearly 80% in value.

Appreciation in the value of pulp and paper bonds in the last 12 months has not been spectacular. On the other hand, there has been a consistent steady increase in the bid price, especially in the more speculative type of securities.

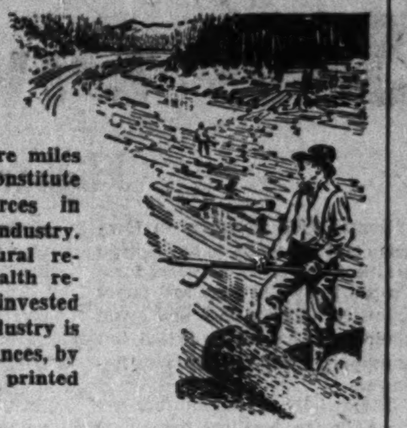
**Sharp Gains Noted**

The advance in price of pulp and paper bonds has not been confined to any one group, but has been general over the entire list. The most spectacular advances have been recorded in the bonds of Minnesota and Ontario Paper Co., Abitibi Power and Paper, Brown Co., Consolidated Paper and British Columbia Pulp; two newsprint and two pulp operators. The bonds of the fine paper companies have not shown much change over the past 12 months, as they have always sold on a better basis than those of companies in other branches of the industry.

The trend of market values for pulp and paper bonds over the past year is set out in the following table:

| | September 15 1941 Bid | 1941 Asked | 1940 Bid | 1940 Asked | Change in Bid Price |
|---|---|---|---|---|---|
| Abitibi, 5/53 | 77 | 79 | 58½ | 61½ | +18½ |
| Bowater's, 6/68 | 93 | 96 | 90½ | 92½ | +2½ |
| B. C. Pulp, 6/50 | 90 | 93 | 82 | 85 | +8 |
| Brown, 5½/46 | 69½ | 71½ | 44½ | 47½ | +25 |
| C. I. P., 6/49 | 104½ | 103½ | 100 | 103 | +4½ |
| Cons. Paper, 5½/61 | 75¼ | 77¼ | 64 | 67 | +10¾ |
| Donnacona, 4½/56 | 80 | 83 | 80½ | 83½ | ...... |
| Fraser, 6/50 | 100 | 102 | 96½ | .... | +3½ |
| Lake St. John, 5½/61 | 91 | 93 | 88 | 91 | +3 |
| Mersey 5/57 | 98 | 100½ | 97½ | .... | +½ |
| M. & O., 5/60 | 88 | 91 | 48¼ | 49 | +39¾ |
| Price Bros., 5/57 | 98½ | 100 | 95 | 98 | +3½ |
| Rolland, 4½/51 | 101 | 104 | 102 | .... | −1 |
| Smith, Howard, 4¼/51 | 103¼ | 105¼ | 102 | .... | +1¼ |


*Buy War Savings Certificates and War Savings Stamps*



THOUSANDS of square miles of timber country constitute Canada's natural resources in the pulp and paper industry. To transform these natural resources into national wealth requires capital. The capital invested in this great Canadian industry is represented, in many instances, by securities engraved and printed by this company.

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

*The Old Canadian Company* — *Established 1866*

HOWARD W. PILLOW, *President* — CHARLES G. COWAN, *Vice-Pres. & Man. Dir.*

G. HAROLD BURLAND, *Sec.-Treas.*

HEAD OFFICE: OTTAWA
262 Wellington Street

511 Place d'Armes, MONTREAL — 1110 Montreal Trust Bldg., TORONTO


## Fine Paper Manufacturers Are Working at Capacity

(Continued from page 26)

...ent for the year were consolidated with that of Howard Smith Paper Mills for the first time.

As a result of these moves, the minority interest in the subsidiary companies has been reduced from $1,248,270 to $1,642. Offsetting this in part is an increase in outstanding preferred stock of Howard Smith Paper Mills from $6,251,600 to $7,170,300.

Consolidated earnings of Howard Smith Paper Mills in the first quarter of 1941 were on a parity with those of the like period of 1940.

Expectations are that the company will be able to show results for the current year comparable with those in 1940.

At the annual meeting earlier in the year, Harold Crabtree, president, told shareholders the company will give serious consideration to payment of a dividend on the common stock "in the not-too-distant future." Mr. Crabtree pointed out that maintenance of the company's liquid position is necessary in view of heavier inventories and increased taxation.

### E. B. Eddy Co.

In the same geographic area as Howard Smith Mills is the E. B. Eddy Co., whose plant at Hull is one of the largest and oldest manufacturing fine papers.

This company also produces newsprint and other pulp products. However, the fine and specialty paper division represents the company's major interest.

Sales experience of this company follows the same general trend as for the industry as whole. War conditions have created a sharp increase in the demand for Eddy papers and earning power, no doubt, has been affected equally favorably.

**Spend Large Sums**

Expansion in the company's operations is reflected, in part, in the heavy capital outlay undertaken by the company in recent years to not only improve but to extend manufacturing facilities. This work has resulted not only in improved quality of product, but in speeding up production and, in turn, lowering operating costs.

Latest development along these lines is the construction of a new acid plant in which Canadian pyrites will be used instead of imported sulphur in the manufacture of chemical pulp. Approximately $100,000 will be spent on this unit which is expected to come into operation early next year.

The extent of the improvement in sales and earnings of the Eddy Co. is not known, as the company does not make public any financial or operating statement. The company has no bonds outstanding and its small capital stock is closely held. Just under half is owned by Gatineau Power Co. and the balance by private interests. The company has never gone to the public for capital, all such requirements coming out of surplus earnings.


H. G. Acres & Company
Limited
*Consulting Engineers*
NIAGARA FALLS, CANADA

Analytical Studies, Reports and Valuations.

Design, Specification and Engineering Supervision of:—

Dams and Hydraulic Structures

Water Storage and Control Developments

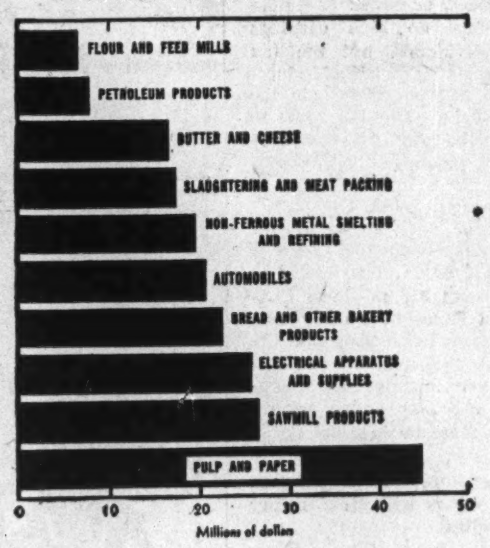
Hydro-Electric and Steam Power Plants

Water Supply Plants

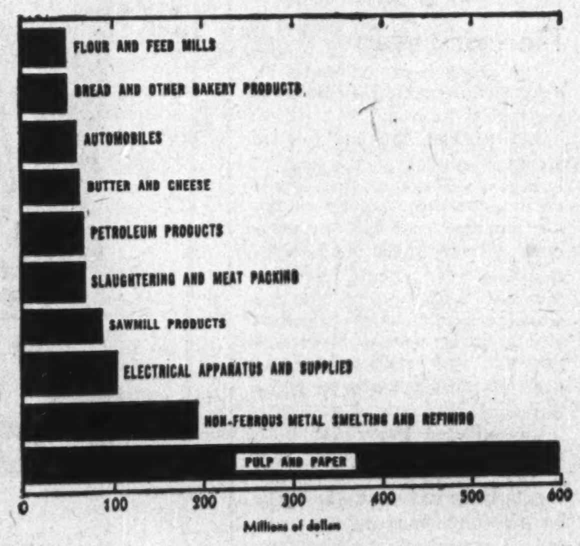
Industrial Buildings



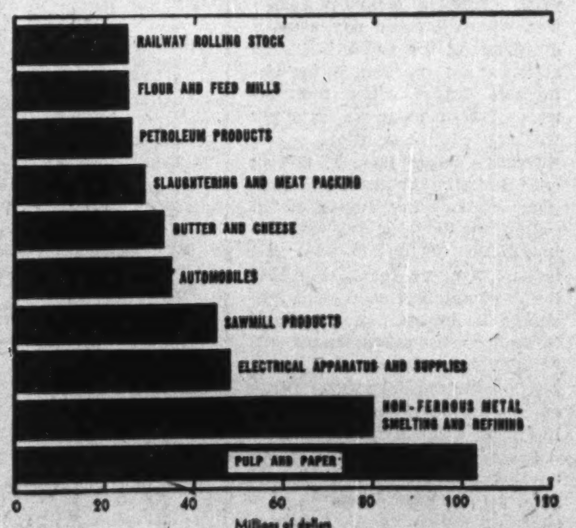
WAGES AND SALARIES
*Comparison of 10 Leading Industries*




CAPITAL INVESTED
*Comparison of 10 Leading Industries*




NET VALUE OF PRODUCTION
*Comparison of 10 Leading Industries*




*Source: Dominion Bureau of Statistics.*

IN MEN, MONEY AND RESULTS

YOUR GREATEST INDUSTRY

Canada's greatest manufacturing industry is pulp and paper— the production of newsprint, other papers, pulps, boards and pulp products. From a small beginning a generation ago, pulp and paper operations have become a fundamental part of Canadian economy — in both export and domestic trade — affecting the welfare of every home in the Dominion. Here are some yardsticks of the industry in men, money and results:

**MEN:** It has the largest payroll of any Canadian manufacturing industry—over 44 million dollars a year excluding woods operations. Half a million people are directly dependent on it for their livelihood.

**MONEY:** It leads all Canadian manufacturing industries in total investment. The operating mills alone represent a real investment of 600 million dollars or more.

**POWER:** It consumes almost one-half the electrical power sold in Canada for industrial purposes. Its annual power bill is about 20 million dollars.

**PRODUCTION:** In net value of production — the value added by manufacture — it creates over 100 million dollars a year and leads all Canadian manufacturing industries.

**EXPORTS:** With exports running currently at a quarter of a billion dollars a year, it is the greatest single factor in Canadian export trade. Newsprint alone has been a greater producer of dollar balances than mined gold, wheat or nickel.

Every Canadian has a stake in pulp and paper. To every Canadian, from Halifax to Victoria, it is a matter of prime importance that this industry be healthy and sound.

THE PULP AND PAPER INDUSTRY OF CANADA
872 SUN LIFE BUILDING MONTREAL

# Sees Dividends For Pulp, Paper Investors

## Higher Incomes, Record Working Capital Boosts Pressure for Distributing Profits

Some 10,000 investors in Canada and elsewhere have been waiting as long as 10 years for a "pay-off" by the pulp and paper industry. Every now and again their hopes have been raised, but disappointment usually has followed.

Financially manufacturers are in a better position than they have been at any time since 1930. Many a financial fence has been repaired. Equipment has been modernized. Underlying obligations have been cleaned up. Bank loans no longer bulk largely in the annual statements. Earnings are availabl for the equity interest.

There is no question of the improved position of the pulp and paper industry. But it is a rather interesting reflection of the investors' experience in pulp and paper securities that the market value of stocks has not as yet fully reflected the improvement.

This is borne out by the record of trading in 10 pulp and paper stocks listed on the Montreal Stock Exchange and Montreal Curb Market. During the past month average for the group was 76.18. This compares with a low of 60.37 in June and a high of 78.20 in January.

While this indicates an improvement in market price, still a comparison with values prevailing in previous years, when the industry was not as well off as it is today, shows stock values are still on a moderate basis. Thus in 1940, the monthly average ranged from 72.36 to 143.47; in 1939, from 64.63 to 143.81; 1938, 87.37 to 139.14; and in 1937, from 107.78 to 319.79.

### Up to Average

These figures should not be taken too literally. Over the past year security values have been influenced more by developments in Europe than to changes in the position of the industry or the individual operator.

Thus if comparison of values for the group of 10 pulp and paper stocks is made with other groups such as utilities, industrials, golds, etc., it will be seen the trend has been just as favorable.

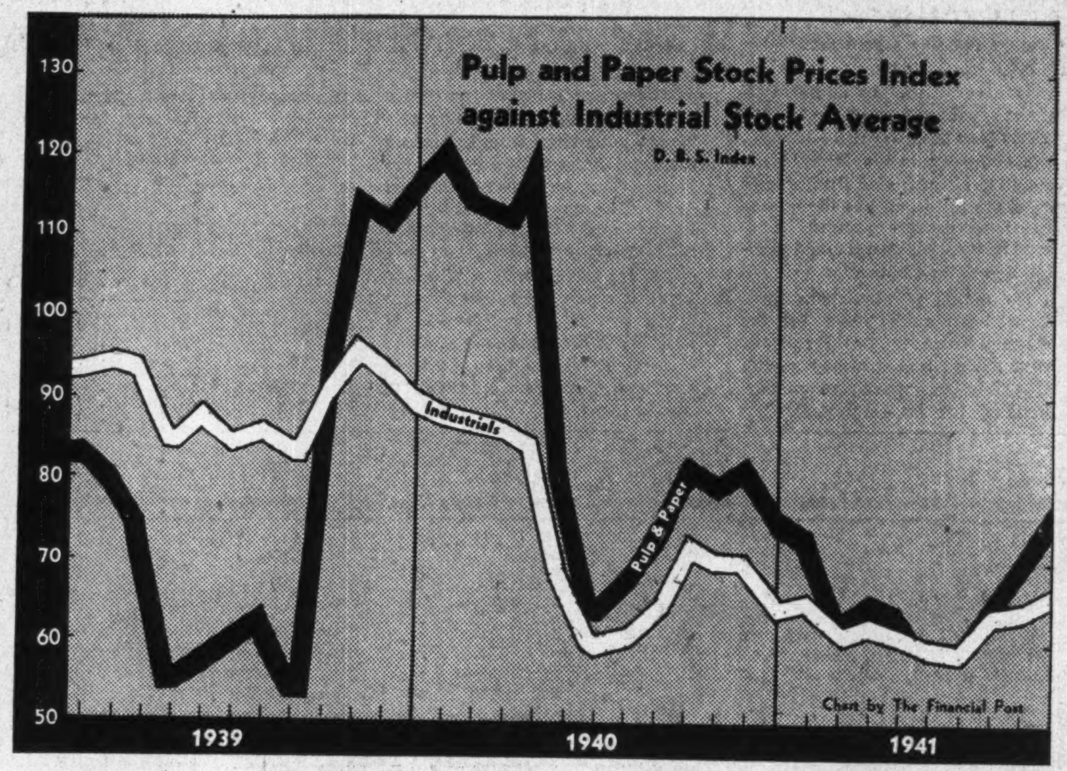
### Three Types Holders

The market movement is of direct interest to three classes of pulp and paper security holders. First there is the speculator who is interested only in quick capital appreciation and secondly, the investor. The latter group represent two distinct types—the investor who is not as much interested in income as in capital appreciation and the investor who is looking for revenue from his investment.

This survey of the investors' position in the pulp and paper industry is concerned only with the investor. The first class has done comparatively well on its investment and should do appreciably better over the near future.

### All Meet Interest

Every pulp and paper company, with bonds outstanding, is now in a position where income is more than sufficient to pay interest charges. Where interest is paid regularly, coverage has been strengthened. In other cases, interest payments have been resumed on a regular or interim basis.




There are two good examples of the latter class. Consolidated Paper Corp., whose bonds are selling at a heavy discount, is now paying interest regularly. There is no reason why it should not continue to do so, certainly as long as the war lasts.

Abitibi Power and Paper, while not paying interest regularly, recently secured a court order to pay the equivalent of about 2½ years' interest in a lump sum as a return of principal.

There are few securities of this type available for the investor. Aside from the two mentioned, there are the bonds of Minnesota and Ontario and Brown Corp. Others are selling at a discount, but as there is such a slight difference between market value and par value, speculative interest has been practically eliminated.

### Interest in Equity

The great body of investors in the pulp and paper industry are those holding equity stocks. In many instances they bought these shares years and years ago.

It is this group which is looking forward to the pay-off!

At this stage it is possible to make a reasonably accurate appraisal of the prospects.

Of the 13 actively traded pulp and paper common stocks only five are returning any income to their holders. The other eight, and they represent the equity in the largest producers, are in the non-pay class.

There are good reasons both for and against resumption or re-establishment of dividend payments.

Against payment of dividends at this time is a group which believes in still further strengthening the position of the industry and the individual operators.

They argue profits should be conserved to place companies in a position where they can meet and successfully overcome the intense competition which is foreseen in the after-war period.

Then, too, the postwar period may call for large capital expenditures for the development of new products, replacement of equipment, etc., in order that the industry may hold its position in world trade.

The position of the Canadian manufacturers, it is further contended, can only be held by maintenance of a strong liquid position.

The war is enabling the operators to build up larger working capital than they ever have had and it should, it is argued, be conserved for future contingencies rather than be distributed now in the form of dividends.

There is the other group which claims earning power having been restored, dividends should be paid.

They put forward the argument that holders of pulp and paper securities have been long suffering and if they are ever to get a return on capital, then it must be now or never.

Not only do high earnings justify dividends, but the tax situation alr is an added inducement to pay out profits to the shareholders. The tax basis of the industry and the operators has been established. The companies know where they stand on that important point.

Moreover, they go on to say, many operators have an excess of working capital. They point to Abitibi with $18 millions; Consolidated Paper with more than $12 millions, Price Bros. and Co. with $11 millions. By the end of this year each of these companies will have added several millions more to their net liquid position.

The pressure to have operators pay dividends will grow, rather than decline.

It is reasonable to assume, however, that with a continuation of present operating conditions, few of the pulp and paper companies will be able to resist the pressure to pay dividends.

### The Non-Payers

The position of the non-dividend paying group may be summarized as follows:

**Abitibi** had $18 millions of working capital at the end of last year. The court has issued an order to the company calling for repayment of $130 in principal on each $1,000 bond. Profits this year should compare favorably with those for 1940 and working capital at the close of 1941 is likely to be as large as a year ago, even after payment of over $6 millions as ordered by the court.

**Consolidated Paper** has built up a very strong position and is now paying interest charges regularly on its bonds. Earnings on the common amounted to 34 cents a share last year. Company has been writing off what appears to be a large amount for depreciation. No appreciable decline in earnings is expected this year. Company is now in a position where it could pay a small dividend on the stock, but such action is not expected in the immediate future. The management favors an even stronger working capital position.

**Dryden Paper** brought out an exceptionally good report last year, considering limitation of output due to water shortage. Depreciation write-off was the largest in many years. For 1941 both production and earnings should be better. It is difficult to see how the management will be able to avoid showing earnings on the capital stock. However, a dividend does not appear likely.

**Fraser Cos.** should bring out another good report in 1941. Last year profits were equal to $1 a share on the common. Earnings in the past have been rather volatile and management is likely to hold on to all profits until the outlook is more clear cut.

**Howard Smith Paper Mills** has done much to strengthen its position and earnings of $2.23 a share last year, after providing what is regarded as a large amount for income taxes, was considered exceptionally good. Operations continue strong and report for 1941 should be just as good as in 1940. A dividend on the common stock has been expected for some time and is not likely to be held off much longer.

**Lake St. John Power and Paper** should cover its preferred dividend by a fair margin this year. Profits available on the common are not likely to be large. Payment of the preferred dividend is expected, but it is not likely any distribution will be made on the common.

**James Maclaren Co.**, is earning at least enough to pay $1 a share on the stock of the parent company Maclaren Power and Paper. In addition power property is beginning to show more adequate returns—probably as much as $1 a share for 1942—so that Maclaren Power and Paper may enter the dividend paying class before long.

**Price Bros. and Co.** has working capital of more than $11 millions and earnings on the common last year of $2.17 a share. Equally good earnings are expected for 1941 and a dividend is in prospect.

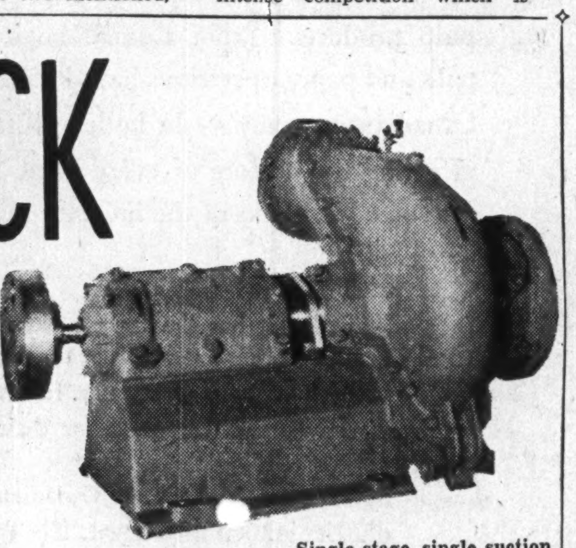
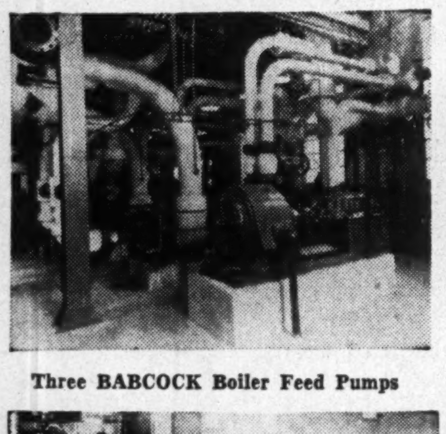
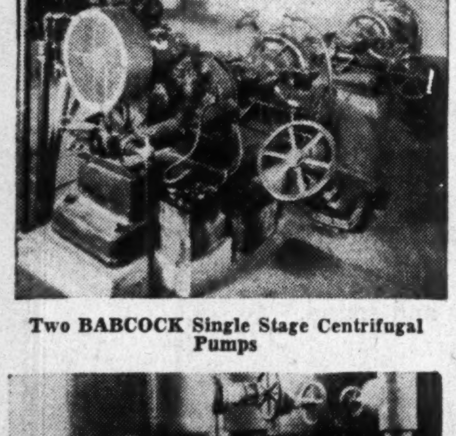
Mention also should be made of those companies which are in the pay class. None is paying out all earnings in the form of dividends. With a continuation of good business, it is possible some may increase distribution. For example, St. Lawrence Paper Mills could pay more to preferred shareholders and still carry forward a nice surplus to profit and loss account.

The conservation of surplus earnings over recent years and the building up of working capital, in many cases, to record levels, has put the pulp and paper manufacturers in a position where they could with every justification provide their shareholders with an adequate return.

Having reached that position it is going to be difficult for them to continue the past policy, especially if business continues along present lines.

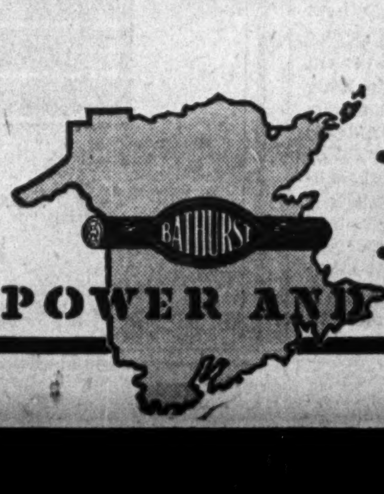
WOOD TANKS & PIPE
STEEL TOWERS
*Built by a firm with 40 years' experience*
Wood Tanks — any shape or specification, constructed of carefully selected and seasoned Red Cypress, Redwood, Long Leaf Yellow Pine, B. C. Fir, White Pine, etc., to suit circumstances.
Also sheet metal tanks, fittings and linings.
FORESTRY
OBSERVATION TOWERS
You are invited to consult us regarding installations or replacements.
We also supply highest quality English hair, Balata and leather belting which will save you money.
H. E. MOTT COMPANY LIMITED
152 Darling Street
Brantford, Ontario
*Competent Engineering enters into all our designs and supervision.*

Adhesive Specialties for
PAPER MILLS
Core Gums, Tube Glues, Wrapping and Heading Adhesives, High Grade Glues and Sizes for Fine Papers, Tissues and Boards
*Manufacturers of*
ANIMAL GLUES
LIQUID GLUES
PASTES & SIZES
MEREDITH, SIMMONS & COMPANY, LIMITED
*Factories*
TORONTO, ONT. MONTREAL, QUE.

BABCOCK
PUMPS
for ALL
Your Needs

Single stage, single suction centrifugal pump for handling paper mill stock.

Three BABCOCK Boiler Feed Pumps

Two BABCOCK Single Stage Centrifugal Pumps

BABCOCK Steam Turbine Driving Two Stage Centrifugal Pump
The paper stock pump shown above combines the special features devised for its particular job *and* the usual advantages of Babcock design and engineering. This results in the complete absence of troubles usually associated with pumping paper stock. Air pockets, for instance, are positively prevented: this pump *cannot* get air-bound. Operation cost is low, operating efficiency extra high.
Experience Counts
The enviable record of BABCOCK Pumps for highly satisfactory operation in a wide variety of services is the natural result of over *three quarters of a century* of experience in the design and manufacture of pumps. This long experience under the same progressive management is reflected in the utmost dependability of every BABCOCK pump in operation and this same background proves helpful in every discussion with customers concerning proposed pump installations. It is freely at your service in the development of your plans involving any phase in the pumping of liquids.
*Your enquiries will be appreciated.*
BABCOCK-WILCOX &
GOLDIE-McCULLOCH
GALT LIMITED CANADA
Branch Offices
Montreal Toronto Winnipeg Vancouver

Forward Together!
Inspired by a single purpose, marching towards a common goal, workers in Canada's pulp and paper industry and the men in Canada's armed forces are united to achieve the same objective — victory.
Working hard and efficiently in woods, mills and offices, employees of the pulp and paper industry are giving wholehearted support to their comrades in the services. Output of pulp and paper mills plays an important part in Canada's national economy — is making a major contribution to the Dominion's prosecution of the war.
The steady ring of axes in the Bathurst limits and the roar of machines in the Bathurst mill are indicative of the surging tide of activity in this organization. And Bathurst is only one unit in the Canadian pulp and paper industry — an industry whose great army of employees is putting forward every effort to build support for the men in the fighting services.

BUY WAR SAVINGS CERTIFICATES


BATHURST
POWER AND PAPER COMPANY LIMITED